



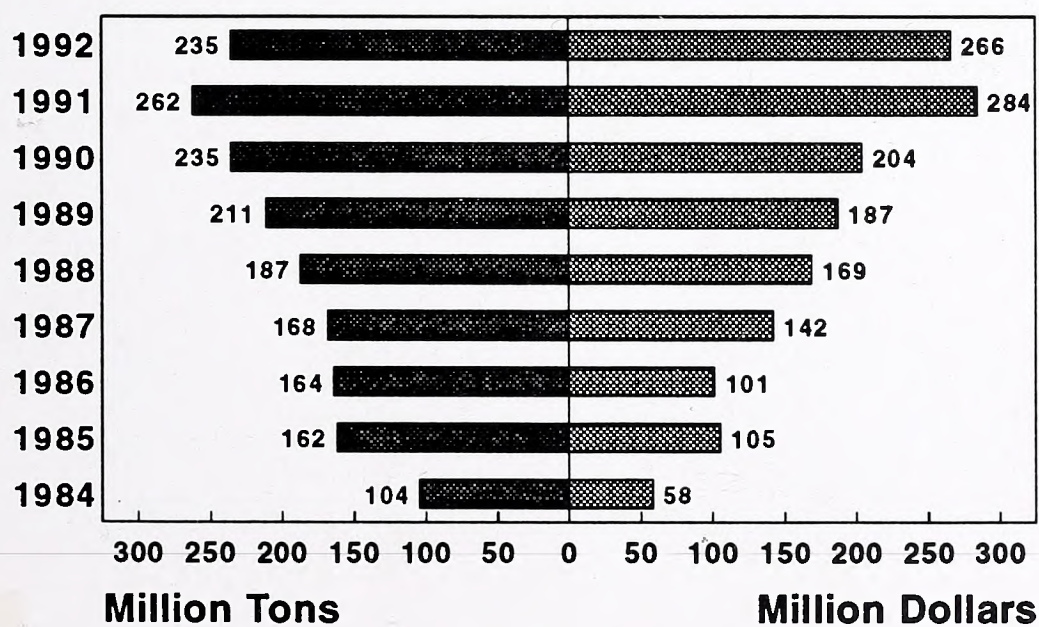
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Fiscal Year 1992 Federal Coal Management Report



Prepared by the
Bureau of Land Management

Production and Royalties Federal Coal Leases FY 1984 through FY 1992



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Federal Coal Management Report

Fiscal Year 1992

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**Annual report of the Secretary of the Interior
under Section 8 of the Federal Coal Leasing
Amendments Act of 1976 (P.L. 94-377)**



THE SECRETARY OF THE INTERIOR

WASHINGTON

NOV 29 1992

Honorable Albert Gore, Jr.
President of the Senate
Washington, D.C. 20510

Dear Mr. President:

In compliance with Section 8 of the Federal Coal Leasing Amendments Act of 1976 (FCLAA), Public Law 94-377, which amended Section 8B of the Mineral Leasing Act (MLA) (30 U.S.C. 208-2), I am pleased to transmit to you the Federal Coal Management Report, Fiscal Year 1992. The report summarizes the major coal management and related activities carried out under the Federal Coal Management Program during Fiscal Year (FY) 1992.

Federal coal production decreased 8.9 percent in FY 1992, the first decrease after 5 years of increases. A total of 234.6 million tons of Federal coal were mined in FY 1992, equal to 23.9 percent of total U.S. coal production, up from 19 percent just 5 years ago. The Federal coal produced has an estimated value of \$2.4 billion, and generated over \$265 million in royalties, a decrease of 6.9 percent over FY 1991. One-half of these royalty receipts were returned to the States in which the production occurred.

Federal coal production in FY 1977, the first year reported to Congress under FCLAA, totaled only 50 million tons, had an estimated value of \$433 million, and accounted for only 7 percent of total U.S. coal production. Royalties in FY 1977 totaled \$9.9 million.

This report features statistics on Federal coal production, royalties, total lease acreage, recoverable reserves, lease sales held and leases issued, and presentations of important leasing and lease operations actions that occurred in FY 1992.

We hope you will find this report informative.

Sincerely,

Enclosure

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PREFACE

The annual Federal Coal Management Report, mandated by the Federal Coal Leasing Amendments Act of 1976 (FCLAA), focuses on the implementation of the Federal Coal Management Program during Fiscal Year (FY) 1992. This is the sixteenth report to be transmitted to the Congress.

This report is divided into three major parts: Chapter 1 - Summary of Management, Supervision, and Enforcement Activities which describes the activities of the various Federal agencies involved; Chapter 2 - Leasing and Production from Federal Coal Lands which shows the major accomplishments in the Federal Coal Management Program in FY 1992; and Chapter 3 - Department of Justice - Competition and Antitrust Analysis.

The MMS statistics for FY 1992 represent production and royalties reported based on accounts receivable during the fiscal year. The royalty management statistics do not precisely equate to actual production achieved or royalty accrued on that production during FY 1992 due to adjustments for prior years.

The consolidated figures and tables immediately follow chapter 3. For the tables in this report that show amounts of coal production, sales, or recoverable reserves, these amounts are shown in both short tons and metric tons. This annual report reflects the government-wide effort to provide metric measurement in addition to short-ton reporting measures. In the narrative portion of the report, all references to amounts of coal, sales, or recoverable reserves are shown in short tons. A short ton is equal to 2,000 pounds. A conversion factor of 0.907 is used to convert metric tons to short tons.

ACKNOWLEDGEMENTS

This report to the Congress was prepared in the Bureau of Land Management (BLM) by H.W. Moritz of the Division of Solid Minerals, with assistance from the Division staff. Assistance was also provided by John Broderick of the Division of Minerals Policy Analysis and Economic Evaluation.

Sections of the report were also provided and reviewed by the U. S. Geological Survey (USGS), Minerals Management Service (MMS), Office of Surface Mining Reclamation and Enforcement (OSM), United States Fish and Wildlife Service (USFWS), the United States Forest Service (USFS), and the Department of Justice (DOJ). This report was also reviewed by the Department of the Interior's (DOI) Office of the Solicitor.

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CHAPTER 1

SUMMARY OF MANAGEMENT, SUPERVISION, AND ENFORCEMENT ACTIVITIES

INTRODUCTION

Section 8 of the Federal Coal Leasing Amendments Act of August 4, 1976 (FCLAA), requires an annual report on leasing of and production from Federal coal lands; a summary of management, supervision and enforcement activities; and recommendations to the Congress for improvements in management, environmental safeguards and amount of production from leasing and mining operations on Federal coal lands. The annual submission must also contain a report, prepared by the Attorney General of the Department of Justice (DOJ), on competition in the coal and energy industries, including an analysis of whether or not the antitrust laws are effective in preserving or promoting competition in those industries. Chapter 3 of this report contains the DOJ reporting requirements.

Agencies with responsibilities in the Federal Coal Management Program include the following Department of the Interior (DOI) agencies: the Bureau of Land Management (BLM), with primary coal leasing and lease management responsibilities; the Minerals Management Service (MMS), with mineral revenue collection and disbursement responsibilities; the Office of Surface Mining Reclamation and Enforcement (OSM), with responsibilities for the definition and establishment of coal performance and coal reclamation standards; the U. S. Geological Survey (GS), with responsibilities for conducting coal and water resource investigations; and the Fish and Wildlife Service (FWS), with responsibilities for mitigating impacts to fish and wildlife resources on coalbearing lands. Two other agencies also have important roles: the Forest

Service (FS), with land management planning responsibilities for lands under its jurisdiction, and the DOJ, with responsibilities related to implementing the provisions of the Sherman Anti-Trust Act.

BUREAU OF LAND MANAGEMENT

The BLM serves as the principal Federal agency responsible for the management of Federal coal reserves. In its role as coal lessor and manager, the BLM coordinates with other Federal agencies and State and local governments, whose responsibilities may be affected by coal-related activities, and with representatives of industry and environmental groups, whose interests are affected by coal leasing and development.

Lease Management

There are many policy, procedural and statutory requirements that must be met before a lease tract is offered for competitive lease sale. The first major step in the Federal coal leasing process is the completion of a resource management plan (RMP). Coal-related portions of the RMP include subjecting the lands included in the RMP to four screens: coal potential, unsuitability criteria, multiple use tradeoffs and surface owner consultation. Descriptions of the applications of the four coal screens can be found in the Code of Federal Regulations (CFR) for the Federal Coal Management Program at 43 CFR 3420.1-4 and 43 CFR 3461 and in annual coal reports for the fiscal years 1979 through 1989. The outcome of land-use planning is the clearance of lands for further consideration for coal leasing.

The second major step depends upon the leasing mode used, i.e., either regional activity planning or lease-by-application (LBA) leasing. Regional activity planning, as described in the Federal Coal Management Program regulations at 43 CFR 3420.1 through 3420.4 and in previous annual coal reports, occurs on lands within designated Federal coal production regions. The only leasing mode currently in use is LBA leasing. It occurs outside of Federal coal production regions or in deactivated regions, when applicants seek specific tracts of Federal coal, generally located adjacent to existing mining operations.

Under both regional activity planning and the LBA processes, the BLM leases coal through competitive sales using a fixed royalty-variable cash bonus bidding system. The BLM completes the administrative requirements including appropriate National Environmental Policy Act (NEPA) processes necessary to offer the tracts for lease sale, holds the lease sale using sealed bidding procedures, and evaluates the high bids received to determine whether they constitute fair market value for the lease tracts. The process by which the BLM determines the fair market value of coal tracts that are offered for lease sale has been much studied. The most recent study, that of the Linowes Commission in 1984, resulted in revisions made to the economic model by which the BLM estimates tract value, as well as revisions to the basis upon which minimum bids for coal lease sales may be set, and the bid screening procedures by which a BLM sale panel evaluates the bids for acceptance.

Federal-State Cooperation

The Federal-State Coal Advisory Board (FSCAB) and its subcommittees, the regional coal teams (RCT's), are designed to meet statutory requirements for Federal-State cooperation in the management of Federal lands. There is one RCT for each designated Federal coal production region. When the regional lease sale process is being used in the region, the RCT guides all phases of the process. When LBA leasing is the leasing mode, the RCT

reviews each application and relevant environmental documents and makes recommendations on whether or not to process pending lease sale applications and when to hold coal lease sales.

During FY 1992 meetings were held by three of the RCT's, one each by the Powder River, San Juan RCT's and Uinta-Southwestern Utah RCT's. The meetings were held to discuss pending coal lease applications and related coal leasing issues.

The FSCAB met in December 1991 to review regional coal leasing activities, discuss the long-range market outlook and consider whether or not to recommend a long-range coal lease sale planning schedule to the Secretary. Reports provided by the RCT's showed that interest in leasing Federal coal is likely to continue. In the immediate future, however, this need can be met by a combination of LBA leasing and production from existing leases. As a result of this assessment, the FSCAB recommended that a long-range lease sale plan be deferred. The Secretary subsequently adopted this recommendation.

Trends in Federal Coal Leasing and Production

Although over one-third of all Federal coal leases are located in the State of Utah, for the past 5 years the PRB has contributed an increasing share of Federal coal production. In FY 1992, Federal coal production constituted about 23% of total U.S. coal production (see Table 3) and PRB production constituted about 72% of all Federal coal production or 19.6% of the U.S. total. Other States produced significantly lesser totals of the total Federal production: Montana, 10%, largely from its PRB mines; Utah, about 8%; and Colorado, about 6%.

The domestic coal demand increased at a compound rate of about 2% from 1980 through 1991. Demand for PRB coal increased at about a 7% rate during this period. By the year 2010 domestic coal demand is projected to reach

about 300 million tons annually, with the PRB's 25 mines accounting for 26% of that total. Currently, about 87% of all coal mined is used in the generation of electricity; about 98% of all PRB coal is used for this purpose.

The trend toward increasing reliance on Powder River coal to meet domestic energy needs occurs for several reasons: (1) PRB coal has a low sulfur content, assisting powerplants in meeting the stricter sulfur dioxide emission standards imposed by the Clean Air Act Amendments; (2) PRB coal occurs in thick, extensive seams which are easily surface minable; (3) PRB coal occurs in billions of tons, comprising the majority of Federal coal; and (4) the PRB is connected to an extensive rail transportation system, with the result that the coal reaches markets as diverse as Oregon and Georgia.

Industry interest has changed since the early 1980's, when there was widespread interest in starting new mines involving Federal coal and regional coal leasing was the leasing mode used. Current industry interest centers around the expansion of existing mining operations. When Federal coal occurs adjacent to these mines, lessees and/or operators apply for LBA sales. Sometimes the applied for tracts contain large amounts of Federal coal, as is the case in the PRB. Further, the tracts are adjacent to existing mines. Where possible, the BLM delineates the tracts so that they are attractive to more than one prospective coal company.

Preference Right Lease Applications (PRLA's)

Progress in processing coal PRLA's continued to be made during the year. As of September 30, 1992, 40 PRLA's remained to be processed. During the fiscal year, the BLM made available for public review and comment a draft cost estimate document (CED) for the Chapman/Riebold PRLA in Rio Blanco County, Colorado. Public comments were pending as of September 30, 1991. Two other CED's, one in Colorado and one in New Mexico, were in preparation as of September 30, 1992.

Powder River Leasing Activity

On September 26, 1991, the BLM Wyoming State Office held a coal lease sale for a tract adjacent to the Jacobs Ranch Mine in Campbell County. The sale represented the first competitive sale of Federal coal in the Wyoming portion of the Powder River Basin (PRB) in 9 years. One day prior to the sale, several local environmental groups appealed the sale, alleging, among other things, deficiencies in the environmental analysis process. The Interior Board of Land Appeals (IBLA) dismissed the appeal at the end of FY 1992, finding that the sale had been adequately supported by the environmental analysis process.

The Jacobs Ranch tract was the first of four applications for lease sale in the Wyoming portion of the PRB. The applied-for tracts covered approximately 8,400 acres and contained about 998 million tons of recoverable coal reserves. Local environmental groups were concerned that leasing and subsequent development of the amount of coal that the sales represented would upset the PRB's hydrologic balance and made these concerns known in the Wyoming press and to the Department.

Two additional sales of PRB tracts occurred in FY 1992, in August and September 1992. One tract, called "West Black Thunder," is adjacent to the Black Thunder Mine, the largest producing surface coal mine in the Western Hemisphere. The other tract, called "North Antelope/Rochelle," lies between the North Antelope and Rochelle Mines. The fourth tract, called "West Rocky Butte," was scheduled for sale in FY 1993.

The BLM's coal leasing and lease management policies were under investigation by the U.S. General Accounting Office (GAO) during FY 1992. The investigation centered around Wyoming, because of the large amount of leasing and production activity there, but included other BLM States as well. A major emphasis of the investigation was whether or

not LBA leasing is an appropriate leasing mode for the PRB because of the large amount of Federal coal reserves and the extent of production and projected production contributed by the PRB. The GAO investigation was expected to conclude in mid-FY 1993.

Regulation of Exploration and Mining Operations

Exploration and mining operations on Federal lands that occur after issuance of a lease, license or permit are conducted under the regulatory authority of BLM. The primary activities include: inspection and enforcement, production verification and royalty oversight. Other responsibilities include ensuring: (1) orderly and efficient exploration, development, mining, preparation, and handling of coal for conservation of coal or other resources, (2) maximum economic recovery of coal, and (3) ensuring compliance with the diligence and lessee qualification provisions of the Mineral Leasing Act (MLA). These activities also include monitoring of operations for diligent development and continued operation, and for compliance with other provisions of the MLA as well as the regulations and lease terms.

On July 12, 1991, the BLM proposed in the Federal Register (56 FR 32002), a rule that would revise provisions of the operations-related portions of the existing Federal Coal Management Program regulations, specifically those regulations relating to exploration licenses, logical mining units, suspensions, lease management, diligence, and exploration and mining operations on leased Federal coal. Many of the changes are administrative and procedural in nature and provide more explicit and coherent direction for situations and conditions not anticipated by the existing regulations. Existing subparts and sections of the regulations are proposed for redesignation to reflect more accurately the sequence of actions in the Federal Coal Management Program. Certain substantive changes in the regulations were proposed. It is anticipated that the Federal Coal Management Program will be undergoing review. A decision on the

revised regulations will be made following that review.

Exchanges

The DOI conducts two types of exchanges that involve the transfer of coal mineral rights (legislative lease exchanges and Section 206 of the Federal Land Policy and Management Act (FLPMA) exchanges). Enactment of the FCLAA removed the DOI's general authority to issue coal leases noncompetitively, a revocation that has ruled out all coal lease exchanges except for those specifically legislated by Congress. Where specifically allowed or directed by law, DOI may award a new coal lease to a Federal coal lease holder in exchange for relinquishment by the lessee of an existing lease or leases. In the lease exchange statutes enacted to date, lease exchanges have been made on an equal-value basis. The BLM may also consider fee coal exchanges under Section 206 of FLPMA on a case-by-case basis in response to proposals from private fee coal owners. There are some instances where BLM may also identify coal land areas during land-use planning as having fee coal exchange potential. The environmental impacts of proposed exchanges are evaluated before any exchange is completed. All Section 206 exchanges must be of equal value and in the public interest.

Alluvial valley floor (AVF) exchanges are authorized by the Surface Mining Control and Reclamation Act of 1977 (SMCRA). Section 510(b)(5) of SMCRA prohibits surface mining in an AVF if it would interrupt, discontinue, or preclude farming but entitles the owner of the coal to obtain Federal coal in exchange. In consultation with the State of Wyoming, the BLM is currently analyzing a proposal made by Texaco in 1988 for an AVF exchange under SMCRA. Texaco has offered to exchange 1,975 acres near Lake DeSmet in Johnson County, Wyoming, for unspecified Federal coal. A previous exchange proposed under Public Law 95-554 was rejected in 1978, after a determination was made that it was not in the public interest.

Public Law 95-554 allowed the Secretary to exchange nine coal leases associated with Interstate Highway 90 (I-90) in Wyoming. The nine leases were held by six lessees. One exchange was completed in 1982, another in 1983, and another in 1986. Also in FY 1986, two exchange proposals were rejected as not being in the public interest. Both rejections were appealed to the IBLA, and one of the appeals was subsequently withdrawn and the lease relinquished. In March 1987, the IBLA ruled on the remaining appeal by remanding the exchange decision to BLM to make a formal, written determination on whether or not the exchange is in the public interest. A public hearing for the public interest determination was held in May 1992. At the end of FY 1992, the BLM was preparing a public interest determination, as required by the IBLA. The sixth lessee relinquished the affected coal lease and is no longer eligible for an exchange.

Program Review

No reviews of the leasing component of the Federal Coal Management Program were conducted by the BLM in FY 1992. The lack of reviews was due to an investigation by the GAO, which was studying all aspects of the LBA leasing program throughout most of FY 1992. The investigation continues into FY 1993 and is expected to generate recommendations for BLM and DOI consideration and action.

With respect to the lease management component of the Federal Coal Management Program, two Technical Procedure Reviews (TPR's) and an Alternative Management Control Review (AMCR) were conducted in FY 1992. The TPR's concerned inspection and enforcement/production verification procedures on Indian coal lands in Arizona and on Federal coal lands in Wyoming. The TPR teams consisted of BLM Washington Office and State Office technical personnel. The AMCR concerned lessee qualification procedures for coal on Federal lands. AMCR teams consisting of BLM Washington and State Office technical personnel visited BLM field offices to monitor

implementation of the lessee qualification policy guidance to ensure that the potential for waste, fraud, or abuse is minimized.

Recommendations

At this time, the Department has no recommendations to make to the Congress for improvements in the Federal Coal Management Program. Consequently, no recommendations are contained in this report.

MINERALS MANAGEMENT SERVICE

The MMS responsibilities in the Federal Coal Management Program include the collection, accounting, verification, distribution, and disbursement of royalties, rents, and bonuses from Federal coal leases. During FY 1992, MMS collected over \$265.7 million in royalties, representing an average of 11 percent of coal sales valued at nearly \$2.4 billion. Tables 1 and 2 identify the number of producing coal leases, acreage, sales quantity, sales value, and royalty value by State and Federal coal production region.

On public domain lands, with the exception of Alaska, 50 percent of the royalties are disbursed to the State treasuries, 40 percent are placed in the Federal Reclamation Fund that was established by the Reclamation Act of 1902, and 10 percent remains in the U.S. Treasury's miscellaneous receipts. Alaska receives 90 percent of all royalties, rents, and bonuses paid for coal production on public lands leases in Alaska after deduction of payments under the provisions of the Alaska Native Claims Settlement Act of 1971. The State receives 50 percent of all royalties, rents, and bonuses collected from coal production in the National Petroleum Reserve in Alaska. In FY 1991, 1992 and 1993 the Congress enacted appropriations language requiring the MMS to deduct 50 percent of the Federal Government's total mineral leasing program costs before distributing revenues to the States and the Treasury. The effect of this provision is to

reduce royalty payments to the States.

U. S. GEOLOGICAL SURVEY

The major coal-related activities of the GS during FY 1992 involved the Coal Resources Investigations Program, National Coal Resources Data System (NCRDS), the Evolution of Sedimentary Basins Program, and a variety of water-resources investigations.

The Coal Resources Investigations Program consists of mapping, establishing local and regional coal-bed stratigraphic and correlation networks, and coal-quality and coal-resource characterization assessments done on regional as well as detailed, local levels. Data derived from these assessments and related studies are entered into the NCRDS, a computer-based resource data system. These data are available to support the Federal Coal Management Program. In FY 1992, the data-base management system of NCRDS was changed to permit greater ease in the manipulation of existing data and the addition of new data which is anticipated to grow exponentially during the next 5 years. The largest contributions have and are expected to continue to come from cooperative programs with 22 State geological agencies. Currently, the NCRDS contains approximately 1.65 million stratigraphic units and at least some chemical data on more than 100,000 coal samples. The USCHEM data base of NCRDS currently stores over 120 attributes of those coal samples analyzed through GS's coal geochemistry program. Currently the data base houses over 6,000 publicly available samples including a developmental data base of 13,000 samples.

A major new direction in assessing coal resources was begun in FY 1987. A pilot study to develop methodology to assess the availability of coal resources for development was carried out in eastern Kentucky in cooperation with the Kentucky Geological Survey. The pilot study was successful and the GS extended the methodology in cooperation with Kentucky, Virginia, and West Virginia. As of the end of FY 1992, twelve additional 7½ minute

quadrangle areas in these three States have been studied. Results to date show that only about 51 percent of the original coal resources in the study areas is currently available for development. This work will be completed in FY 1993 in the Central Appalachian Region but will be continued in Ohio, Pennsylvania, and northern West Virginia, and expanded western Kentucky, Illinois, and Indiana.

The Evolution of Sedimentary Basins Program is designed to conduct basic research for an integrated approach to the prediction and assessment of energy resources in all major sedimentary basins including those containing Federal coal deposits. In addition to the basins previously studied, the Illinois, Great, and Paradox Basins were added in FY 1990. This program is providing important regional information which will improve energy resources characterization on Federal lands.

Coal hydrology activities include water-resources data collection, areal studies, and research associated with the availability of water to support increased coal development and the impacts of such development on the water resources. In FY 1992, such activities were underway in several States. This work provides water-resources information essential to the preparation and review of applications for mining permits and reclamation plans by the coal industry.

In FY 1992, regional geologic studies and coal resource characterizations were underway in all major coal basins west of the 100th Meridian and in the Appalachian Province. In addition, 22 State geologic agencies were cooperatively supported by the GS for the appraisal of the coal deposits in their States.

In support of the Federal Coal Management Program in FY 1992, work was conducted in coal-resource and coal-quality assessments in cooperation with Alabama, Colorado, Kentucky, Montana, New Mexico, Utah, and Wyoming. Since 1977, fifty-five regional maps, at a scale of 1:100,000 or larger, of priority areas in the Western Federal coal regions,

including information on coal geology, and engineering and hazards studies, have been completed to the stage where they can be used in coal management decisions.

About 110 topical reports and maps on research activities that are supportive of the work of the Federal Coal Management Program have been published by the GS authors during FY 1992.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

The primary objective of the OSM is to protect society and the environment from the adverse effects of surface coal mining operations and to do so under conditions consistent with the Nation's need for energy. OSM's principal roles relative to Federal lands are to: (1) define policy and promulgate rules establishing performance standards and program administration processes; (2) review and process permit applications and mining plans, including such activities as are necessary for NEPA compliance, and recommend action on mining plans to the Secretary; (3) in States with approved State regulatory programs under Section 503 of SMCRA, negotiate State-Federal cooperative agreements for State regulation on Federal lands according to Section 523(c) of SMCRA; (4) in the absence of State-Federal cooperative agreements, carry out the permitting, inspection and enforcement, and other functions of the regulatory authority as set forth in SMCRA; (5) provide oversight of State administration of the regulatory requirements under the terms of an approved State-Federal cooperative agreement; and (6) administer a program to designate Federal lands unsuitable for surface coal mining under the petition process specified in Sections 522(a) and (c) of SMCRA.

There were no petitions filed to designate areas unsuitable for surface coal mining on Federal lands in FY 1992.

As of the end of FY 1992, the Secretary had

entered into permanent program cooperative agreements with the States of Alabama, Colorado, Illinois, Montana, New Mexico, North Dakota, Ohio, Oklahoma, Utah, Virginia, West Virginia, and Wyoming to manage surface coal mining on Federal lands in accordance with OSM requirements.

At the beginning of FY 1992, OSM had 21 permit applications pending review for which approval of a mining plan, or approval of a modification to an approved mining plan, is required. During the year, 6 more were received and 10 mining plans or modifications were approved. At the end of FY 1992, 17 mining plan actions were carried over to FY 1993.

FISH AND WILDLIFE SERVICE

The FWS strives to ensure that fish and wildlife resources, including endangered species, receive full and equal consideration during activities associated with the development of Federal coal resources. The FWS gathers and analyzes data, related to fish and wildlife resources and development plans, to identify areas of natural resources conflict. The FWS also provides assistance in the development of alternatives that avoid and/or minimize losses to fish and wildlife resources, as well as provide opportunities for enhancement of these resources.

Most of the FWS involvement in the Federal Coal Management Program consists of providing technical assistance to the BLM during the planning phase of Federal coal leasing and mining operations and the OSM during reclamation, as well as during the restoration of Abandoned Mine Lands. The FWS conducts operational as well as research and development efforts on fish and wildlife impacted by coal development. Operational activities are implemented by the Ecological Services field offices located in the Regions. Data support is provided by the Office of Migratory Bird Management and the National Wetlands Inventory. Research and development activities are conducted by various divisions of the FWS

(e.g., Technical Development). Research and development support is furnished by the National Ecology Research Center in Fort Collins, Colorado, and other elements of the FWS research program.

The major role of the FWS in the Federal Coal Management Program is to provide technical review and recommendations for various aspects of the program. These responsibilities range from reviewing mine permits and plans and monitoring State Coal Programs for fish and wildlife protection, to onsite field surveys to solve problems and reduce impacts to fish and wildlife resources by mining operations. Impacts can come from many diverse actions such as electrocution of raptors on transmission lines to mines, habitat destruction by mining operations, and disturbance to nesting raptors and/or other migratory birds.

On Federal and non-Federal lands, the Southwest Region (Region 2) reviewed 85 mine permits, conducted 31 Endangered Species Act consultations, provided recommendations for 15 Abandoned Mine Land projects, and attended 1 coordination meeting for the San Juan Coal Basin. The Midwest Region (Region 3) reviewed 71 permit renewal applications and 77 permit revisions, conducted 20 Endangered Species Act consultations, commented on 9 regulation changes, and provided recommendations for 43 Abandoned Mine Land projects. The Southeast Region (Region 4) reviewed and provided comments on six regulatory changes in State Coal Programs and six Federal coal leases. The Mountain-Prairie Region (Region 6) reviewed EIS's for 6 mine plans, conducted 33 Endangered Species Act consultations, reviewed 15 leases, provided recommendations for 7 wetland reclamation plans, reviewed 18 plans for migratory birds of high Federal interest, reviewed 12 State Coal Program amendments, and provided recommendations for 15 Abandoned Mine Land projects.

U.S. FOREST SERVICE DEPARTMENT OF AGRICULTURE

The FS has land management planning responsibilities for lands under its jurisdiction. In addition, the Secretary of Agriculture must consent to the lease terms before a lease can be issued, and must consent to the approval of mining and reclamation plans which include Federal coal leases on National Forest System (NFS) lands.

The FS effort in FY 1992 included land and resource management planning, responding to requests to review lease-by-applications, modifications, readjustments, exploration plans, mine plans, and abandoned mine land reclamation projects.

Land and Resource Management Planning - Forest Plans have been completed for those National Forests which contain or are expected to contain Federal coal. They are: (1) National Forests in Alabama; (2) Allegheny NF in Pennsylvania; (3) Bridger-Teton NF in Wyoming; (4) Cherokee NF in Tennessee; (5) Custer NF in Montana; (6) Daniel Boone NF in Kentucky; (7) Manti-LaSal and (8) Fishlake and (9) Dixie NF's in Utah; (10) George Washington and (11) Jefferson NF's in Virginia; (12) Medicine Bow NF in Wyoming; (13) Monongahela NF in West Virginia; (14) Shawnee NF in Illinois; (15) Wayne NF in Ohio; and (16) White River, (17) San Juan, (18) Grand Mesa-Uncompahgre and (19) Gunnison NF's in Colorado. The Forest Plans include a report on the application of the unsuitability criteria (43 CFR 3461).

Lease by Application - Lease applications responded to in FY 1992:

NFS Location	Status/Number
Manti-LaSal	Completed = 1 Pending = 3
Medicine Bow	Completed = 2 Pending = 2

Lease Modifications - Lease modifications responded to in FY 1992:

NFS Location	Status/Number
Grand Mesa-Uncompahgre	Pending = 1
Manti-LaSal	Completed = 1 Pending = 3
Medicine Bow	Completed = 1

Lease Readjustments - Lease readjustments responded to in FY 1992:

NFS Location	Status/Number
Fishlake	Completed = 5
Manti-LaSal	Completed = 4 Pending = 6
Medicine Bow	Completed = 1

Exploration Licenses - Exploration licenses responded to in FY 1992:

NFS Location	Status/Number
Manti-LaSal	Completed = 3 Pending = 3
Medicine Bow	Completed = 1

MLA Mining Plans - MLA mining plans responded to in FY 1992:

NFS Location	Status/Number
Manti-LaSal	Completed = 8 Pending = 3
Medicine Bow	Completed = 2

SMCRA Permit Reviews - SMCRA permit proposals responded to in FY 1992:

NFS Location	Number
Manti-LaSal	1
Medicine Bow	2

LITIGATION IN THE FEDERAL COAL MANAGEMENT PROGRAM

Litigation involving BLM:

Powder River Sale

In Northern Cheyenne Tribe v. Lujan, Civil No. 82-116-BLG-JFB (D. Mont.), the Tribe asserted that the EIS prepared for the April 1982 regional PRB coal lease sale was deficient because of its alleged failure to discuss adequately the effects of the proposed regional leasing on the plaintiff's reservation. In 1985, the district court ruled in favor of the Tribe and declared the leases void which had been issued in Montana as a result of the sale. The DOI petitioned the court for reconsideration of its order to cancel the leases. The lessees petitioned the court to intervene and for reconsideration. The court granted the motions for intervention, stayed its cancellation order, and enjoined all lease operations. In 1986, the court granted the motion for reconsideration and (1) allowed one lessee to mine its three mine maintenance leases, provided mining did not cause "significant socioeconomic impacts" on the Tribe, and (2) directed the Secretary to suspend the remaining leases pending supplementation of the EIS and appropriate review of lease issuance, terms and conditions. The Tribe then appealed the October 1986 order to the U.S. Court of Appeals for the Ninth Circuit.

The Ninth Circuit issued its decision on July 11, 1988, in which it reversed and remanded the October 1986 order, 842 F.2d 224. The Ninth Circuit first found that the district court possessed its full range of traditional equity power to fashion appropriate injunctive relief. The Ninth Circuit then found that the district court did not abuse its discretion when it amended its order to suspend the leases rather than void them. The Ninth Circuit also found two other defects with the injunction. First, it held that the Secretary failed to comply with his regulations because the RCT did not have sufficient input from the Tribe. Therefore, the Ninth Circuit ruled that if the district court decides to re-issue an injunction suspending the leases, it must order the Secretary to redo the activity planning in which tracts are identified, ranked, analyzed and selected. Second, the Ninth Circuit ruled the injunction

must prohibit the Secretary from considering the existence of the leases when preparing the supplemental EIS.

Finally, the Ninth Circuit ruled that the district court had an inadequate record on which to determine whether it was in the public interest to suspend rather than void the leases. The Ninth Circuit ordered the district court to hold an evidentiary hearing on this issue.

In June 1989, BLM issued its draft supplemental EIS for public comment. On October 25, 1989, the district court awarded the Tribe \$338,309 for attorney's fees, costs and expenses. The final supplemental EIS was released to the public on July 13, 1990.

On July 24, 1991, based on a motion filed by Wesco Resources, Inc., and Thermal Energy Company, the Billings District Court ruled that the sale of the Coal Creek Tract to Wesco Resources, Inc., and the sale of the Cook Mountain Tract to Thermal Energy Company be declared void.

A Record of Decision (ROD) regarding the supplemental EIS and the four remaining leases (Western Energy's three Coalstrip leases and Montana Royalty Company Ltd.'s West Decker lease) were signed by the Secretary on September 20, 1991. The ROD was intended to comply with the District Court's order of October 6, 1986.

Western Energy and the Tribe negotiated a settlement of the Tribe's claims, which was approved by the court on September 23, 1991, without allowing the government to respond to the settlement in writing. A motion for reconsideration was filed on October 8, 1991. The government argued that NEPA, the Federal Coal Leasing Amendments Act, and the Secretary's general trust responsibility to the Tribe do not mandate any funding to mitigate the impacts of lease activities and regional coal development. The government also argued that the district court lacked jurisdiction to hear claims for such monetary relief, even

though the requested relief was couched as equitable relief. The government also criticized the court's approval of the settlement agreement with Western Energy as an unwarranted interference with the Secretary's discretion to impose additional lease stipulations on its lessee.

On June 2, 1992, the district court granted the government's motion for reconsideration and motion to dismiss the Tribe's claim for impact mitigation funding from the Federal Defendants.

Coal Management Rules

In Natural Resources Defense Council v. Jamison, Civil No. 82-2763 (D.D.C.), eight groups joined to challenge the July 1982 revisions to the July 1979 coal program rules. The suit sought to: (1) enjoin implementation of the revised coal regulations; (2) declare the revised regulations improperly issued; and (3) enjoin any future coal lease sales until the reclaimability standard of Section 522(a)(2) of SMCRA is applied to the lease tracts prior to a sale. In support of their lawsuit, the plaintiffs allege that DOI, in amending the rules, violated NEPA and various provisions of FCLAA, FLPMA, and SMCRA. The parties filed and fully briefed cross motions for summary judgment.

Some counts in the original complaint were dismissed pursuant to a joint motion of the parties on May 9, 1986.

In Count IV, the plaintiffs charged that the 1982 regulatory scheme's failure to include "specific" criteria to evaluate whether an amended management framework plan (MFP) was "comprehensive" violated FCLAA, and that failure to include a deadline for the complete transition to RMP's violated FLPMA and constituted agency action unlawfully withheld. The Court found that the regulations do not, on their face, violate FCLAA in this regard. Plaintiffs were told that they must challenge individual land use plans they believe are not "comprehensive." The Court

then stated that it requires more information in order to make a determination of whether or not BLM's failure to complete the transition from MFP's to the RMP's required by FLPMA is egregious enough to warrant the issuance of a writ of mandamus to force BLM to complete the transition. The court, therefore, requested the Department to advise the court within 30 days of a feasible schedule for completion of RMP's for the Big Dry, Great Divide, Green River, White River resource areas, and other areas, if any, in which there is a potential for surface mining.

In Count V, the plaintiffs alleged that the Department breached SMCRA by not including the reclaimability requirement in the unsuitability criteria in the regulations. The Department raised a statute of limitations defense. However, the court concluded that the Department had voluntarily reopened the existing rules to public scrutiny. Therefore, the court held that plaintiffs' SMCRA challenges are not time-barred. However, the court concluded that the regulations in this regard were not invalid on their face and, therefore, the plaintiffs' summary judgment motion was denied as to this count.

In Count VIII of their complaint, plaintiffs challenged the lack of regulations implementing provisions for public participation in the planning process and the program and management thereof. The Court concluded that provisions for public participation in a handbook were insufficient, Congress in the FLPMA having directed the Secretary to utilize notice and comment rulemaking to establish the procedures for public participation. Therefore, the plaintiffs' Motion for Summary Judgment as to this point was granted.

In Count IX, the plaintiffs' stated that the diligent development requirement in FCLAA should be applied to preexisting leases, and therefore, the lack of such an application should violate FCLAA. The Court disagreed and stated that Congress intended that the requirement apply only to post-FCLAA leases

and extensions of pre-FCLAA leases. The plaintiffs' Motion for Summary Judgment as to this point was denied.

In Count X, the plaintiffs' argued that a regulatory force majeure exception to the three-year FCLAA deadline requirement for coal leaseholders to submit operation and reclamation plans was a violation. The court held that the language of FCLAA for the three-year deadline was mandatory, unambiguous, and provides for no exceptions and, therefore, exceptions are impermissible. Plaintiffs' Motion for Summary Judgment as to this point was granted.

In Count XI, the plaintiffs' charged that the regulations place an unnecessary burden on surface owners of split estate lands to refuse consent to surface mining. The court held that nothing in the regulatory scheme conflicts with the statute. Plaintiffs' Motion for Summary Judgment as to this point was denied.

The United States has appealed the decision with respect to Count VIII, pending clarification as to what rules, beyond those already enacted, are contemplated by the Court's decision.

In National Wildlife Federation et al., v. Hodel, Civil No. 88-0301 (D.D.C., filed February 15, 1988), plaintiffs challenged the adoption of regulations which clarified and modified the treatment of coal in the BLM's land use planning process, including the unsuitability criteria which are used to exclude land from consideration for coal leasing. The regulations, which became effective on January 7, 1988, implemented one of the Secretary's February 1986 decisions on the Federal Coal Management Program.

The lawsuit as amended seeks an order requiring DOI to adopt additional unsuitability criteria for reclaimability and wetlands to be applied during land use planning and further requiring DOI to apply all unsuitability criteria during land use planning to lands that had been leased before the first SMCRA regula-

tions were adopted in 1979. The lawsuit further seeks a declaratory judgment that DOI violated NEPA by failing to prepare an EIS or Environmental Assessment (EA) in connection with the proposed or final rules and an order that either an EIS or EA be prepared. Plaintiffs allege that SMCRA requires utilization of an unsuitability criterion for reclaimability in land use planning and that Executive Order 11990 requires an unsuitability criterion for wetlands to be used in land use planning.

The DOI seeks dismissal of the suit as being untimely and a challenge outside the scope of rulemaking. The DOI also argues that nothing in SMCRA or the executive order requires that lands be screened for reclaimability or wetlands at the land use planning stage, as opposed to the mining plan review or multiple use planning stages of the Federal Coal Management Program. The court in Natural Resources Defense Council v. Jamison, Civil No. 82-2763 (D.D.C.), held that it was not necessary to address reclaimability during land use planning.

The DOI also contends that the SMCRA unsuitability review for Federal coal leasing is not subject to NEPA, but if it is determined to be, NEPA was satisfied by the detailed programmatic EIS for the Federal Coal Management Program issued in 1985 prior to the Secretary's decision as to what rules changes to propose. Finally, the DOI challenges plaintiffs' "informational standing" and the existence of a private right of action to enforce Executive Order 11990. Plaintiff has filed a motion for summary judgment and the DOI has filed a cross-motion for summary judgment. There has been no ruling to date on either motion.

Post-FCLAA Lease Readjustments

Following enactment of FCLAA, a large group of cases arose challenging the first lease readjustments. The coal leases in question were issued prior to enactment of FCLAA under Section 7 of the MLA. Section 7 made the leases subject to the right of the Secretary to readjust the terms and conditions of the leases,

including royalty provisions, at the end of every 20 years unless otherwise provided by law. 30 U.S.C. 207 (1988). Section 7 of the MLA was amended by Section 6 of FCLAA to require readjustment every ten years after the initial 20 year term of the leases. In every case in which a ruling has been issued, the coal readjustments have been upheld. The only remaining readjustment case is the Bear Coal Co., Inc. v. Hodel case, Civil No. 87-1493 (D. Colo.). That case has been on a jointly-stipulated hold since 1988 pending the resolution of a question of the assessment of late payment interest by the MMS. MMS plans to issue an assessment decision in early 1993.

Exchanges

Plaintiff Whitney Benefits, Inc., owned two tracts of coal in the Tongue River Valley of Wyoming which it leased to plaintiff Peter Kiewit and Sons, Inc., for development. The State of Wyoming preliminarily determined that a portion of the area met the definitions of an AVF under Section 510(b)(5) of SMCRA. Section 510(b)(5) prohibits surface mining in an AVF, if it would "interrupt, discontinue, or preclude" farming but entitles the owner of the coal to obtain Federal coal in exchange. Plaintiffs filed suit in the U.S. District Court for the District of Wyoming to compel an exchange. Whitney Benefits, Inc., et al. v. Hodel, Civil No. 84-0193 (D. Wyo.) (Whitney Benefits I). The district court initially found that BLM had unduly delayed in offering an exchange and ordered that the exchange be completed by August 31, 1985. The BLM then determined that the coal had a negative value and declined to proffer Federal coal in exchange. In December 1985, the court ruled that the exchange must be completed. The BLM then tendered a tract of Federal coal to the plaintiffs in compliance with the court's order. Plaintiffs objected to the tender as insufficient and declined to accept or reject the offer. The case was stayed pending a final determination in the related case, Whitney Benefits, Inc. v. United States, 18 Cl. Ct. 394 (1989) (Whitney Benefits II). See OSM section below for further discussion of this case. Whitney Benefits I was

dismissed without prejudice on September 29, 1992, on motion of the plaintiffs. The United States opposed the dismissal because it was granted without prejudice and without any conditions.

In State of Wyoming, ex rel., Sullivan v. Lujan, C90-170B (D. Wyo.) (The JY Ranch Exchange), Wyoming asked the court to void the Secretary's May 11, 1990, exchange of Federal coal for a conservation easement. The coal, in Sheridan County, Wyoming, was exchanged for a conservation easement on the JY Ranch in Teton County, Wyoming. The state also asked the court to void Sloan-Kettering Cancer Research Institute's sale of the coal to Reserve Coal Properties Company. Wyoming filed a motion to consolidate the case with Ash Creek II (see below). After briefing and oral argument, the judge dismissed the case on March 15, 1991. This decision was appealed by Wyoming to the U.S. Court of Appeals for the Tenth Circuit, State of Wyoming, ex rel., Sullivan v. Lujan, No. 91-8019 (10th Cir.). A decision in that case was issued on July 7, 1992, in which the court held that Wyoming lacked standing under Article III of the Constitution to challenge the JY Ranch exchange. Wyoming had asserted the exchange would result in the loss of coal royalties to the State. The court concluded that the relief requested by Wyoming (the voiding of the exchange) would not redress this potential injury, and therefore Wyoming had not established standing to assert an economic loss claim under FLPMA and NEPA. The court ruled that Wyoming lacked standing pursuant to FLPMA to advance the interests of "state and local people" because (1) the State must assert its own legal rights and interests and not those of third parties, and (2) Wyoming's complaint does not fall within the "zone of interests" that FLPMA seeks to protect. The Tenth Circuit also concluded that Section 206(a) of FLPMA does not specifically confer standing on the State to advance the interests of State and local people, and that the Federal Government is presumed to represent the State's citizens.

In Ash Creek Mining Co. v. Lujan, C90-218

(D. Wyo.) (Ash Creek II), which was filed on August 21, 1990, the plaintiff seeks the same relief as in State of Wyoming v. Lujan (above), i.e., to void the JY Ranch exchange and sale of coal by Sloan-Kettering. The plaintiff also requested the court to consolidate this case with Wyoming's lawsuit (above). The DOI filed a motion to dismiss for lack of standing on December 4, 1990. The district court granted the motion on February 19, 1991. Ash Creek appealed this decision to the U.S. Court of Appeals for the Tenth Circuit, Ash Creek Mining Co. v. Lujan, No. 91-8014 (10th Cir.). The Circuit Court issued an opinion in this case on July 7, 1992. Ash Creek contended that it had lost the opportunity to participate in competitive leasing of the Federal coal that was exchanged. The court determined this was not an injury which could be redressed by a favorable decision and therefore Ash Creek lacked Article III standing. The Tenth Circuit also concluded that Ash Creek lacked standing based on its claim of impairment of its surface ownership of the land overlying the Federal coal that was subject to the JY Ranch exchange because no judicial action could redress the economic loss it might sustain due to possible impediments to its use of the surface.

Litigation involving OSM:

Unsuitability Designations

In Whitney Benefits, Inc. v. United States, Civil No. 499-83-L (Cl. Ct.), plaintiff Whitney Benefits, Inc., owned two tracts of coal in the Tongue River Valley of Wyoming which it leased to plaintiff Peter Kiewit and Sons, Inc., for development. The State of Wyoming determined the area to be an AVF as defined in Section 510(b)(5) of SMCRA, and, therefore, unsuitable for surface mining. 30 U.S.C. 1260(b)(5). In Whitney Benefits, Inc. v. United States, 18 Cl. Ct. 394 (1989), (Whitney Benefits II), plaintiff filed suit seeking just compensation for a "taking" of its property as a result of the mining prohibition. The Government had earlier moved to dismiss based on the exchange provisions in SMCRA and the out-

standing exchange offer by the DOI in Whitney Benefits I. (See BLM Litigation Section, above, for the procedural status of this related case.) The Claims Court granted the Government's motion, but the U.S. Court of Appeals for the Federal Circuit reversed and held that the exchange entitlement under SMCRA does not foreclose the coal owner from seeking to establish a taking for which it must receive just compensation. 752 F.2d 1554.

In October 1989, the Claims Court issued its decision in favor of the plaintiff in the amount of \$60,296,000 plus interest from the date of enactment of SMCRA, August 3, 1977. (18 Cl. Ct. 394). The Government appealed this decision. In February 1991, the Federal Circuit affirmed the Claims Court decision No. 90-5058. The Government's petition for rehearing and motion for rehearing en banc were denied. On July 13, 1991, the Government filed a petition for review with the Supreme Court. The petition for certiorari was denied on November 4, 1991. The Government's subsequent motions for a new trial and for dismissal for lack of jurisdiction are expected to be denied but an appeal by the DOJ is likely.

Litigation involving MMS:

Collection of Accrued Royalty

In Arch Mineral Corp. v. Hodel, Civil No. 88-0113 (D. Wyo.), which was filed on April 14, 1988, plaintiff challenged DOI's authority to collect royalty which accrued while plaintiff challenged the readjustment of its coal leases. Plaintiff first argued that DOI is barred from seeking unpaid royalties by DOI's failure to file a compulsory counterclaim in Arch's earlier lawsuits challenging the readjustment of the royalty rates on its coal leases. Second, plaintiff argued that DOI cannot collect unpaid royalties and interest because DOI has failed to issue regulations under the Debt Collection Act. The plaintiff also argued that the Secretary has no authority by administrative action but must go to court to prove such claims. Finally, plaintiff raised several issues concerning the value of its coal for royalty

purposes which were also the subject of an administrative appeal to the Director, MMS.

On February 24, 1989, the court ruled in favor of DOI on all issues ripe for decision and dismissed without prejudice the coal valuation issues pending the outcome of an administrative appeal filed with the Director. As to the compulsory counterclaim, the court found it to be premature in a case challenging the authority to readjust the terms and conditions. The court then rejected plaintiff's argument that back royalty and interest are subject to the Debt Collection Act, holding that these monies are collected under the authority of the MLA. Regarding the authority of the Secretary to collect unpaid rents and royalties administratively, the court, noting that the MLA authorized the Secretary to promulgate "all necessary and proper rules and regulations and to do any and all things necessary to carry out and accomplish the purposes of . . . [the Act]," 30 U.S.C. § 189, held that collecting rents and royalties is one of the purposes of the Act and within the broad grant of authority to the Secretary. On appeal, the United States Court of Appeals for the Tenth Circuit affirmed the district court decision in all respects, except that it vacated the district court's holding that the Secretary could impose "late charges" on unpaid rents and royalties, finding that determination premature until the valuation issues were resolved. Arch Minerals Corp. v. Lujan, 911 F.2d 408 (10th Cir. 1990). Both the administrative and remaining judicial actions were the subject of a settlement agreement between the plaintiff and the MMS and were withdrawn with prejudice by the plaintiff in June 1992.

Coal Product Value Regulations

In National Coal Association (NCA) and American Mining Congress (AMC) v. Lujan, Civil No. 90-1927 (D. Colo), NCA and AMC brought this action on behalf of their member companies challenging an August 30, 1990, MMS rulemaking action. The challenged rule reverses a 1989 regulation that allowed coal lessees to deduct amounts representing severance

taxes, Abandoned Mine Land fees, and Black Lung Excise Taxes before determining the value of coal production for royalty purposes. The plaintiffs based their action on the grounds that the challenged rule is in excess of statutory authority by defining value to include matters that are alleged not to be part of value, and that the challenged rule is arbitrary, capricious, and an abuse of discretion in that the reasons stated for changing the rule are inadequate. The Government's motion for summary judgment was granted in June 1992.

In Black Butte Coal Co. v. U.S., Civil No. 91-1079 L (Cl. Ct.), Black Butte Coal Co. (Black Butte) challenged MMS' order denying Black Butte a deduction from royalty value for a part of Black Butte's Black Lung Taxes and Reclamation Fees. Black Butte asserts that these are items of common overhead that should be allocated to each stage of the mining process, including transportation and processing, and thus is entirely deductible from royalty value. MMS disputes Black Butte's characterization of these costs. Briefs on cross motions for summary judgment have been filed.

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LEASING AND PRODUCTION FROM FEDERAL LANDS

LEASING OF FEDERAL COAL LANDS

The Federal Government owns about one-third of the Nation's coal resources. Coal resources owned and administered by the Federal Government are located on approximately 76 million acres of land principally in the Western United States. Western Federal lands contain approximately 60 percent of the total western coal reserve base. An additional 20 percent of the coal resources in the West are managed or impacted by the Federal Government by virtue of: (1) the commingling of State and private coal reserves with Federal leases and (2) trust responsibilities for Indian lands.

The interest in leasing Federal coal declined in FY 1992. Three lease sales were held, seven less than the ten sales held in FY 1991. One lease sale was held in Colorado and two sales were held in Wyoming. Bonus bids totaled \$159.8 million for the 858 million short tons of recoverable coal reserves estimated to exist on these three tracts. Table 6 presents detail for each of the three lease sales.

Eight Federal coal leases were issued during FY 1992, as shown in Table 7. One lease each was issued in Alabama, Colorado, and Wyoming, while two leases each were issued in Kentucky and New Mexico. Three of these 8 leases were created as a result of lease segregation from previously existing Federal coal leases. Table 8 shows the number of Federal coal leases issued in each fiscal year since 1984, and the amount of acreage and estimated recoverable reserves contained in these leases.

As of September 30, 1992, there were 449 Federal coal leases for 660,789 acres containing approximately 14.42 billion short tons of

recoverable coal reserves. During FY 1992, 9 Federal coal leases were accepted for relinquishment, for 5,425 acres containing approximately 78 million short tons of recoverable coal reserves. At the end of FY 1992, 25 Federal coal leases were pending relinquishment. Also during FY 1992, 10 Federal coal leases were terminated for failure to produce coal in commercial quantities at the end of 10 years.

PRODUCTION FROM FEDERAL COAL LEASES

In FY 1992, 238.8 million short tons of Federal coal were mined, a decrease of 8.9 percent from the 262.3 million short tons of Federal coal mined in FY 1991. This FY 1992 production accounted for approximately 23.9 percent of total U.S. production, down 2.1 percentage points from the 26 percent Federal share of total U.S. production in FY 1991. Total U.S. production in FY 1992 was approximately 999 million short tons, also down nearly 1 percent when compared to 1,008 million short tons in FY 1991.

In FY 1992, total reported royalties on Federal coal leases were 265.7 million dollars, a 6.9 percent decrease from the total reported royalties of 284.3 million dollars in FY 1991. This decrease in reported royalties is due to a decrease in overall Federal production.

Figure 1 graphically depicts the sales quantities reported on a State-by-State basis for Federal coal leases in FY 1992. Figure 2 graphically depicts the sales quantities reported on a Federal Coal Production Region basis for Federal coal leases in FY 1992. Figure 3 graphically depicts the royalties reported on a State-by-State basis for Federal coal leases in FY 1992. Figure 4 shows a perspective of nationwide production from

Federal coal leases for FY 1984 through FY 1992. Figure 5 shows a perspective of production from Federal coal leases located in Colorado from FY 1984 through FY 1992. Figure 6 shows a perspective of production from Federal coal leases located in Montana from FY 1984 through FY 1992. Figure 7 shows a perspective of production from Federal coal leases located in New Mexico from FY 1984 through FY 1992. Figure 8 shows a perspective of production from Federal coal leases located in North Dakota from FY 1984 through FY 1992. Figure 9 shows a perspective of production from Federal coal leases located in Utah from FY 1984 through FY 1992. Figure 10 shows a perspective of production from Federal coal leases located in Wyoming from FY 1984 through FY 1992.

Table 1 shows the number of producing Federal leases, sales quantity and value and royalty payments by state for FY 1992. Table 2 shows the number of producing Federal leases, sales quantity and value and royalty payments by Federal coal production region for FY 1992. Table 3 shows the total nationwide coal production and Federal coal production in each State for FY 1992. Table 4a shows sales quantities in short tons, on a State-by-State basis from FY 1984 through FY 1992. Table 4b shows sales quantities in metric tons, on a State-by-State basis from FY 1984 through FY 1992. Table 5 shows royalty revenues, on a State-by-State basis from FY 1984 through FY 1992. Table 6 shows the Federal coal lease sales held during FY 1992. Table 7 shows the Federal coal leases issued during FY 1992. Table 8 shows a perspective of Federal coal leases issued from FY 1984 through FY 1992. Table 9 gives information about the 12 largest Federal coal mines in FY 1992, based on production.

Figures 1 through 8 and Tables 1 through 9 are located immediately following Chapter 3 of this report.

CHAPTER 3

DEPARTMENT OF JUSTICE COMPETITION AND ANTITRUST ANALYSIS

This chapter of the report complies with Section 8B of the MLA, which requires the Attorney General to report to Congress on "competition in the coal and energy industries" in conjunction with the DOI report on the Federal Coal Management Program. One purpose is to provide the economic analysis that is a necessary foundation for the establishment of coal management policies that will promote competition and efficient development in the coal and energy industries. The report is to provide the basis for the analysis the DOJ employs in its review of Federal coal lease issuances, transfers (including assignments), and readjustments under Section 15 of the FCLAA and consequent advice to the Secretary of the Interior on whether any such action would "create or maintain a situation inconsistent with the antitrust laws." The intention of the report is to serve the dual functions of advising Congress of the present state of competition in the coal industry and indicating the competitive principles the DOJ applies in reviewing Federal coal lease issuances, transfers, and readjustments.

The first DOJ report, submitted in May 1978, defined relevant product and geographic markets and set forth an analytical framework for assessing the state of competition in the coal industry. The report found that coal markets in the United States were workably competitive. The report also enunciated the DOJ's policy of regarding any prospective lease issuance to a lessee with a share of uncommitted, non-Federal reserves in the relevant market in excess of 15 percent as *prima facie* inconsistent with the antitrust laws. The report gave special attention to the competitive effects of participation in the coal industry of firms that also compete in markets for

petroleum or nuclear fuel. Conditions were set out under which such interfuel integration would pose a danger to competition. It was quite clear that these conditions were not met in the case of coal/petroleum integration; coal/nuclear fuel integration was found to pose a somewhat greater competitive danger. Accordingly, a more stringent lease review standard was applied to certain nuclear fuel companies under which a share of uncommitted, non-Federal reserves in the relevant market in excess of 10 percent is considered *prima facie* inconsistent with the antitrust laws.

In May 1979, the second DOJ report updated several aspects of the first report's analysis and analyzed competition in coking coal markets. To the extent the available information permitted reaching any conclusions, coking coal markets were found to be workably competitive.

The third DOJ report, in November 1980, analyzed the competitive effects of railroad participation in western coal markets. The report found that there were several conditions that had to be met before participation by railroads in the western coal industry could pose a competitive problem. With the exception of one railroad, it was found that those conditions were not met. In the case of the one exception, Burlington Northern, Inc., it was not clear whether the conditions were met. The DOJ concluded that, for reviewing Federal coal leases, all railroads would be treated the same as coal companies, but leases to Burlington Northern, Inc., would be given special scrutiny.

In March 1982, the fourth DOJ report analyzed the competitive effects of participation of

electric utilities in the coal industry, and found that there was a significant danger that electric utilities could circumvent rate regulation through integration into the coal industry. However, whether leasing to any particular utility posed a significant competitive danger depended on a host of regulatory issues unique to that utility. The conclusion stated that leases to electric utilities would be subjected to detailed case-by-case review.

The DOJ's fifth and sixth reports, submitted in December 1982 and April 1983, reconsidered two basic aspects of the first report's analysis. The fifth report focused on the delineation of relevant markets in which to assess the effects of Federal coal lease issuances. Applying the market-delineation principles embodied in the DOJ's Merger Guidelines, the report concluded that there are three relevant markets in the area of the country in which virtually all Federal coal leasing will occur. Leases in the Powder River Region will be analyzed in a market that consists solely of the Powder River Region. Leases in the Fort Union Region of Montana and the Dakotas will be analyzed in a Northern Plains Market that consists of a combination of the Fort Union Region, the Powder River Region, and all other coal in Montana and the Dakotas. Leasing in the Denver-Raton Mesa, Green River-Hams Fork, San Juan, and Uinta-Southwestern Utah Regions of Colorado, New Mexico, Utah, and southern Wyoming will be analyzed in a Southwest Market that consists of the States of Arizona, Colorado, New Mexico, Utah, and the Green River-Hams Fork Region in Wyoming.

Also, the sixth DOJ report developed revised "universe" figures against which market shares in these three markets would be measured for the DOJ's lease reviews. The universe figures for uncommitted, non-Federal reserves are 56.1 billion short tons in the Northern Plains Market, and 17.8 billion short tons in the Powder River Market.

Together, these six reports comprise an analysis of competitive conditions in western coal

markets and an explanation of the basic determinants of the DOJ's judgments in its statutory review of proposed Federal coal leases. During the past fiscal year, there have been no developments that materially alter the analysis or the conclusions contained in these reports.

Section 15 of the FCLAA also requires the DOI to consult the DOJ "at each stage in the formulation and promulgation of rules and regulations concerning coal leasing." DOJ did not advise the Secretary that any of the lease issuances, assignments, or readjustments reviewed during FY 1992 would create or maintain a situation inconsistent with the antitrust laws.

Table 1

**Producing Leases, Sales Quantity, Sales Value and Royalty Payments
By State: FY 1992**

State	Producing Leases		Sales Quantity (1,000)		Sales Value (\$1,000)	
	Number	Acreage	Short Tons	Metric Tons	Sales	Royalty
TOTAL	135	275,925	234,577	212,761	2,428,816	265,707
Alabama	2	2,458	321	291	13,328	804
Colorado	28	43,858	12,598	11,426	314,067	37,832
Kentucky	3	1,356	385	349	10,056	735
Montana	12	31,821	22,666	20,558	257,461	31,920
New Mexico	7	16,199	3,609	3,273	105,673	13,209
North Dakota	7	8,174	6,243	5,662	46,448	3,875
Oklahoma	5	7,186	667	605	21,811	861
Utah	33	51,559	17,956	16,286	445,666	30,441
Washington	1	241	733	665	17,749	1,967
Wyoming	37	113,073	169,399	153,646	1,196,557	144,063

Note: The statistics represent sales and royalties reported during FY 1992 and adjustments made during FY 1992 for prior periods. The FY 1992 royalty management statistics may not represent actual production achieved in FY 1992 or the royalty accrued on that production due to adjustments for previous years.

Source: Royalty Management Program, MMS, DOI.

Metric conversion represents the sales quantity (Thousand Short Tons) multiplied by 0.907.

Table 2

**Producing Leases, Sales Quantity, Sales Value and Royalty Payments
By Federal Coal Production Region: FY 1992**

Region	Producing Leases		Sales Quantity (1,000)		Sales Value (\$1,000)	
	Number	Acreage	Short Tons	Metric Tons	Sales	Royalty
TOTAL	135	275,925	234,577	212,761	2,428,816	265,707
Southern Appalachian	2	2,458	321	291	13,328	804
Fort Union	8	8,614	6,443	5,844	49,039	4,199
Green River - Hams Fork	26	59,632	17,035	15,451	412,787	46,927
Powder River	38	106,820	184,724	167,544	1,302,996	160,241
San Juan River	8	16,392	3,616	3,280	105,829	13,222
Uinta - SW Utah	44	73,226	20,653	18,732	495,221	36,752
Other	9	8,783	1,785	1,619	49,616	3,562

Note: The statistics represent sales and royalties reported during FY 1992 and adjustments made during FY 1992 for prior periods. The FY 1992 royalty management statistics may not represent actual production achieved in FY 1992 or the royalty accrued on that production due to adjustments for previous years.

Source: Royalty Management Program, MMS, DOI.

Metric conversion represents the sales quantity (Thousand Short Tons) multiplied by 0.907.

Table 3

**Total United States and Federal Coal Production
By State: FY 1992**

State	U.S. Nationwide Production (1,000)		Federal Production (1,000)	
	Short Tons	Metric Tons	Short Tons	Metric Tons
TOTAL	999,016	906,108	234,577	212,761
Alabama	27,156	24,630	321	291
Alaska	1,570	1,424	0	0
Arizona	12,709	11,527	0	0
Arkansas	45	41	0	0
California	86	78	0	0
Colorado	18,087	16,398	12,598	11,426
Illinois	60,069	54,483	0	0
Indiana	32,056	29,075	0	0
Iowa	313	284	0	0
Kansas	362	328	0	0
Kentucky	159,704	144,852	385	349
Louisiana	3,290	2,984	0	0
Maryland	3,749	3,400	0	0
Missouri	2,598	2,356	0	0
Montana	37,502	34,014	22,666	20,558
New Mexico	24,063	21,825	3,609	3,273
North Dakota	30,538	27,698	6,243	5,662
Ohio	29,108	26,401	0	0
Oklahoma	2,065	1,873	667	605
Pennsylvania	66,745	60,538	0	0
Tennessee	3,395	3,079	0	0
Texas	53,935	48,919	0	0
Utah	22,020	19,972	17,956	16,286
Virginia	43,564	39,513	0	0
Washington	5,175	4,694	733	665
West Virginia	168,473	152,805	0	0
Wyoming	190,647	172,917	169,399	153,646

Note: The Federal statistics represent sales quantity reported during FY 1992 and adjustments made during FY 1992 for prior periods. The FY 1992 royalty management statistics may not represent actual production achieved in FY 1992 due to adjustments for previous years. Estimated in part.

Source: Federal Production: Royalty Management Program, MMS, DOI.
U.S. Production: Energy Information Administration, DOE.

Metric conversion represents the production (Thousand Short Tons) multiplied by 0.907.

Table 4a

**Sales Quantity From Federal Coal Leases - FY 1984 to FY 1992
By State (1,000 Short Tons)**

State	FY 1984	FY 1985	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991	FY 1992
TOTAL	104,150	162,189	163,900	168,027	187,079	211,377	234,503	262,253	234,577
Alabama	33	0	0	0	0	79	641	39	321
Colorado	9,927	10,380	10,121	8,765	9,236	10,701	12,464	23,944	12,598
Kentucky	0	0	0	0	136	221	122	205	385
Montana	14,520	24,031	22,433	22,864	20,525	21,498	26,929	26,813	22,666
New Mexico	3,048	5,145	4,825	3,225	3,077	5,671	6,779	3,862	3,609
North Dakota	1,311	6,271	6,853	6,057	4,846	5,198	5,304	6,451	6,243
Oklahoma	33	29	47	0	68	65	168	204	667
Utah	6,128	11,438	9,480	12,853	15,364	15,535	16,879	18,190	17,956
Virginia	14	32	0	0	0	0	0	0	0
Washington	700	326	654	554	420	691	783	630	733
Wyoming	68,436	104,537	109,487	113,709	133,407	151,718	164,434	181,915	169,399

Note: The statistics represent sales and royalties reported during FY and adjustments made during FY for prior periods. The FY royalty management statistics may not represent actual production achieved in FY or the royalty accrued on that production due to adjustments for previous years.

Source: Royalty Management Program, MMS, DOI.

Table 4b

**Sales Quantity From Federal Coal Leases - FY 1984 to FY 1992
By State (1,000 Metric Tons)**

State	FY 1984	FY 1985	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991	FY 1992
TOTAL	94,465	147,106	148,658	152,401	169,680	191,720	212,695	237,862	216,568
Alabama	30	0	0	0	0	72	581	35	291
Colorado	9,004	9,415	9,180	7,950	8,377	9,706	11,305	21,717	15,233
Kentucky	0	0	0	0	123	200	111	186	349
Montana	13,170	21,796	20,347	20,738	18,616	19,499	24,425	24,319	20,558
New Mexico	2,765	4,667	4,376	2,925	2,791	5,144	6,149	3,503	3,273
North Dakota	1,189	5,688	6,216	5,494	4,395	4,715	4,811	5,851	5,662
Oklahoma	30	26	43	0	62	59	152	185	605
Utah	5,558	10,374	8,598	11,658	13,935	14,090	15,309	16,498	16,286
Virginia	13	29	0	0	0	0	0	0	0
Washington	635	296	593	502	381	627	710	571	665
Wyoming	62,071	94,815	99,305	103,134	121,000	137,608	149,142	164,997	153,646

Note: The statistics represent sales and royalties reported during FY and adjustments made during FY for prior periods. The FY royalty management statistics may not represent actual production achieved in FY or the royalty accrued on that production due to adjustments for previous years. Estimated in part.

Source: Royalty Management Program, MMS, DOI.

Metric conversion represents the sales quantity (Thousand Short Tons) of Table 4a, multiplied by 0.907.

Table 5

Royalty Revenues From Federal Coal Leases - FY 1984 to FY 1992
By State (\$1,000)

State	FY 1984	FY 1985	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991	FY 1992
TOTAL	57,799	104,597	101,145	142,336	169,429	186,813	203,630	284,329	265,707
Alabama	9	0	0	0	0	225	1,764	156	804
Colorado	13,121	17,332	20,032	15,032	13,674	14,350	16,634	52,265	37,832
Kentucky	0	0	0	0	280	423	265	273	735
Montana	7,534	14,625	17,854	38,986	36,636	26,334	27,608	35,368	31,920
New Mexico	6,624	23,885	15,402	10,325	10,134	17,739	21,555	15,464	13,209
North Dakota	1,478	6,344	6,670	5,366	4,706	4,145	4,177	5,636	3,875
Oklahoma	148	33	54	0	25	110	241	566	861
Utah	6,005	14,317	12,326	19,721	25,319	19,539	28,200	30,730	30,441
Virginia	41	90	0	0	0	0	0	0	0
Washington	140	80	131	117	94	197	212	526	1,967
Wyoming	22,649	27,891	28,676	52,789	78,558	103,751	102,974	143,345	144,063

Note: The statistics represent sales and royalties reported during FY and adjustments made during FY for prior periods. The FY royalty management statistics may not represent actual production achieved in FY or the royalty accrued on that production due to adjustments for previous years.

Source: Royalty Management Program, MMS. DOI.

Table 6**Federal Coal Lease Sales Held During FY 1992
By Sale Date**

State	Sale Date	High Bidder	Acres	Estimated Recoverable Reserves (1,000,000)		Royalty Rate	Bonus Bid (\$/Acre)
				Short Tons	Metric Tons		
Colorado	07/30/92	Somerset Mining Co.	1,339	7	6	8.0%	766
Wyoming	08/12/92	Thunder Basin Coal Co.	3,492	481	436	12.5%	20,586
Wyoming	09/28/92	Powder River Coal Co.	3,064	370	336	12.5%	28,381

Source: Division of Solid Minerals, BLM, DOI.

Metric conversion represents the sales quantity (Thousand Short Tons) multiplied by 0.907.

Table 7

**Federal Coal Leases Issued During FY 1992
By Issue Date**

State	Lease Effective Date	Lease Number	Lessee	Acres	Estimated Recoverable Reserves (1,000,000)		Royalty Rate	Bonus Bid (\$/Acre)
					Short Tons	Metric Tons		
Colorado	10/01/91	C51551	Western Fuels, Utah	1,280	✓ 8.7	✓ 7.9	8.0%	513
Kentucky	10/01/91	ES42948	Wellmore Coal Co.	99	✓ 0.4	✓ 0.36	8.0%	100
Alabama	11/01/91	ES43165	Pittsburg & Midway Coal Co.	6,440	✓ 24.6	✓ 22.3	8.0%	202
New Mexico	11/01/91	NM78371	Salt River Project	3,082	✓ 19.6	✓ 17.8	12.5%	510
New Mexico	11/01/91	NM86717	Salt River Project	3,360	✓ 10.0	✓ 9.1	12.5%	238
Wyoming	01/01/92	W125794*	Powder River Coal Co.	150	✓ 19.7	✓ 17.9	12.5%	N/A*
Utah	05/01/92	U69600*	AMCA Coal Leasing, Inc.	2,562	✓ 0.9	✓ 0.8	8.0%	N/A*
Kentucky	06/01/92	ES45303*	Bell Coal Co.	800	✓ 2.0	✓ 1.8	8.0%	N/A*

* **Note:** This lease was created by segregation from a pre-existing lease.

Source: Division of Solid Minerals, BLM, DOI.

Metric conversion represents the estimated recoverable coal reserves (Million Short Tons) multiplied by 0.907.

Table 8**Federal Coal Leases Issued Since Fiscal Year 1984
By Fiscal Year**

			Estimated Recoverable Coal Reserves (1,000,000)	
Fiscal Year	Number	Total Acreage	Short Tons	Metric Tons
TOTAL	41	57,247	397.6	360.8
1992	5	14,261	63.3	57.5
1991	6	4,952	27.6	25.1
1990	3	2,261	8.8	8.0
1989	1	9,905	84.0	76.2
1988	1	120	0.9	0.8
1987	6	2,615	12.5	11.3
1986	7	15,065	124.1	112.6
1985	6	1,473	6.2	5.6
1984	6	6,595	70.2	63.7

* Note: Does not include data from leases that were created from pre-existing leases; See Table 7.

Source: Division of Solid Minerals, BLM, DOI.

Metric conversion represents the Estimated Recoverable Coal Reserves (Million Short Tons) multiplied by 0.907.

Table 9

**Top 12 Producing Federal Coal Mines
Cumulative Production FY 1984 to 1992
(1,000,000 Short Tons)**

		FY	FY	FY	FY	FY	FY	FY	FY	FY	'84-'92		
RANK	STATE	1984	1985	1986	1987	1988	1989	1990	1991	1992	CUMULATIVE	Mine Name	LESSEE
1	WY	19.5	22.4	22.5	23.7	22.3	29.0	28.0	30.5	29.4	227.2	Black Thunder	ARCO
2	WY	16.8	14.9	11.7	11.9	12.8	15.3	15.7	17.4	17.0	133.4	Jacobs Ranch	KERR-MCGEE
3	WY	8.0	9.9	10.2	11.7	13.4	12.8	10.6	14.1	13.5	104.3	Cordero	KENNECOTT
4	WY	7.2	9.2	9.7	9.7	11.4	13.6	14.7	14.0	14.5	104.0	Caballo	EXXON
5	WY	8.5	12.5	12.7	10.1	10.8	11.7	13.0	10.8	10.3	100.4	Rawhide	EXXON
6	WY	9.0	6.1	7.9	8.4	13.3	14.7	13.9	13.8	7.5	94.5	Belle Ayre	AMAX
7	WY	0.0	0.5	7.4	8.8	13.2	14.4	15.0	14.6	12.6	86.4	Eagle Butte	AMAX
8	MT	6.9	11.7	10.9	10.6	8.0	8.8	9.0	9.0	9.3	84.1	Decker	PETER KIEWIT
9	WY	0.0	0.0	2.3	5.8	7.9	8.6	12.4	12.5	15.3	64.8	Rochelle	PEABODY
10	MT	4.9	6.7	7.4	5.0	4.6	5.2	9.6	9.0	5.5	57.9	Rosebud	WESTERN ENERGY
11	WY	0.0	2.1	3.1	4.1	5.6	7.4	8.4	10.7	8.7	50.2	Caballo Rojo	MOBIL
12	MT	2.8	2.9	3.5	6.5	5.6	5.0	6.5	7.3	7.0	47.0	Spring Creek	NERCO

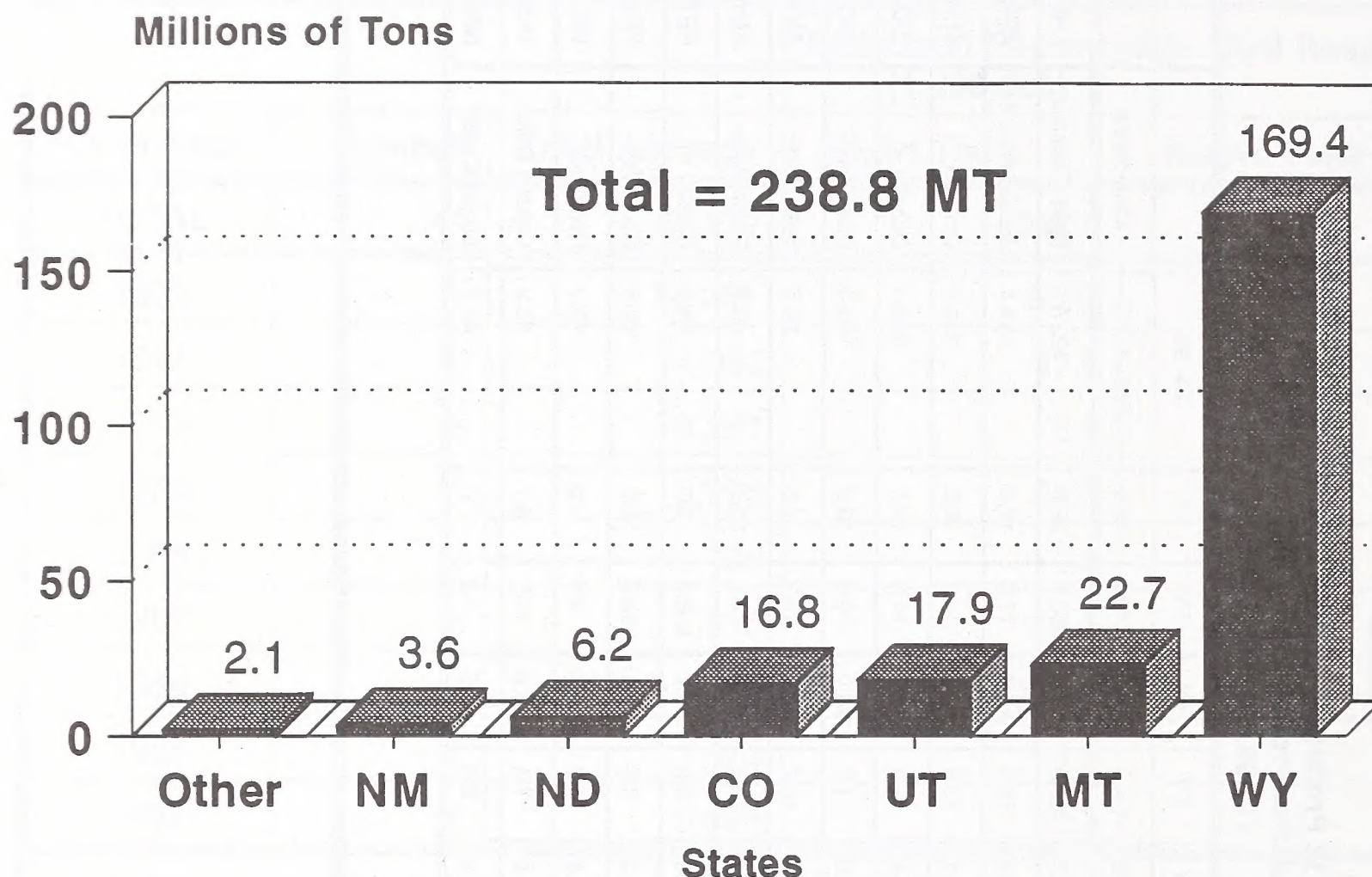
Source: Division of Solid Minerals, BLM, DOI.

Figure #1

Figure 1 graphically depicts the sales quantities reported on a State-by-State basis for Federal coal leases in FY 1992.

Federal Coal Production - FY 1992

Sales Quantity By State



Note: Other includes AL, KY, OK, and WA
Source: Royalty Management Program, MMS

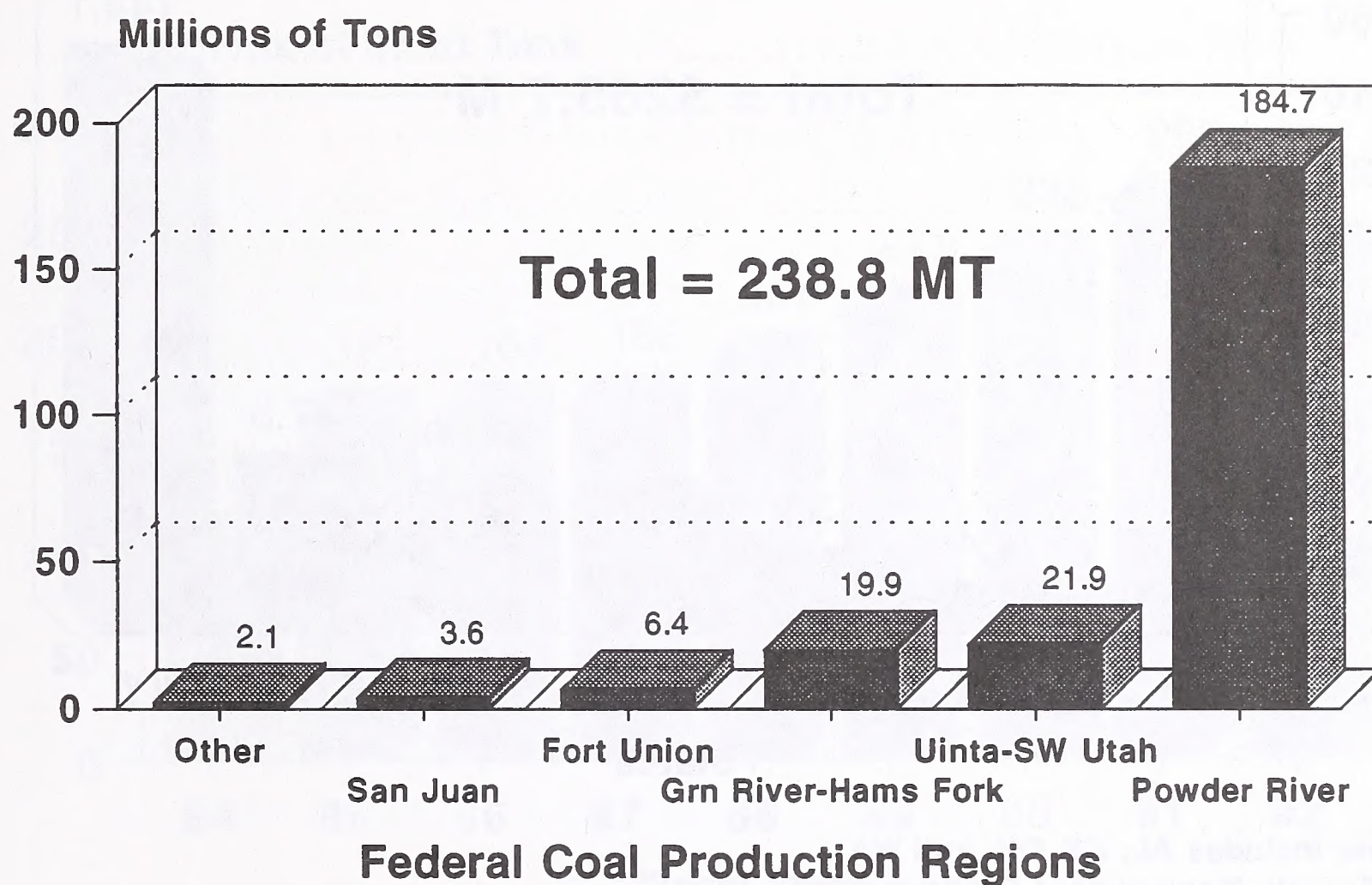
Note: The statistics included in this figure are from MMS and represent sales reported during FY 1992 and adjustments made during FY 1992 for prior periods. The FY 1992 royalty management statistics may not represent actual production achieved in FY 1992 or the royalty accrued on that production due to adjustments for previous years.

Figure #2

Figure 2 graphically depicts the sales quantities reported on a Federal Coal Production Region basis for Federal coal leases in FY 1992.

Federal Coal Production - FY 1992

Sales Quantity By Coal Region



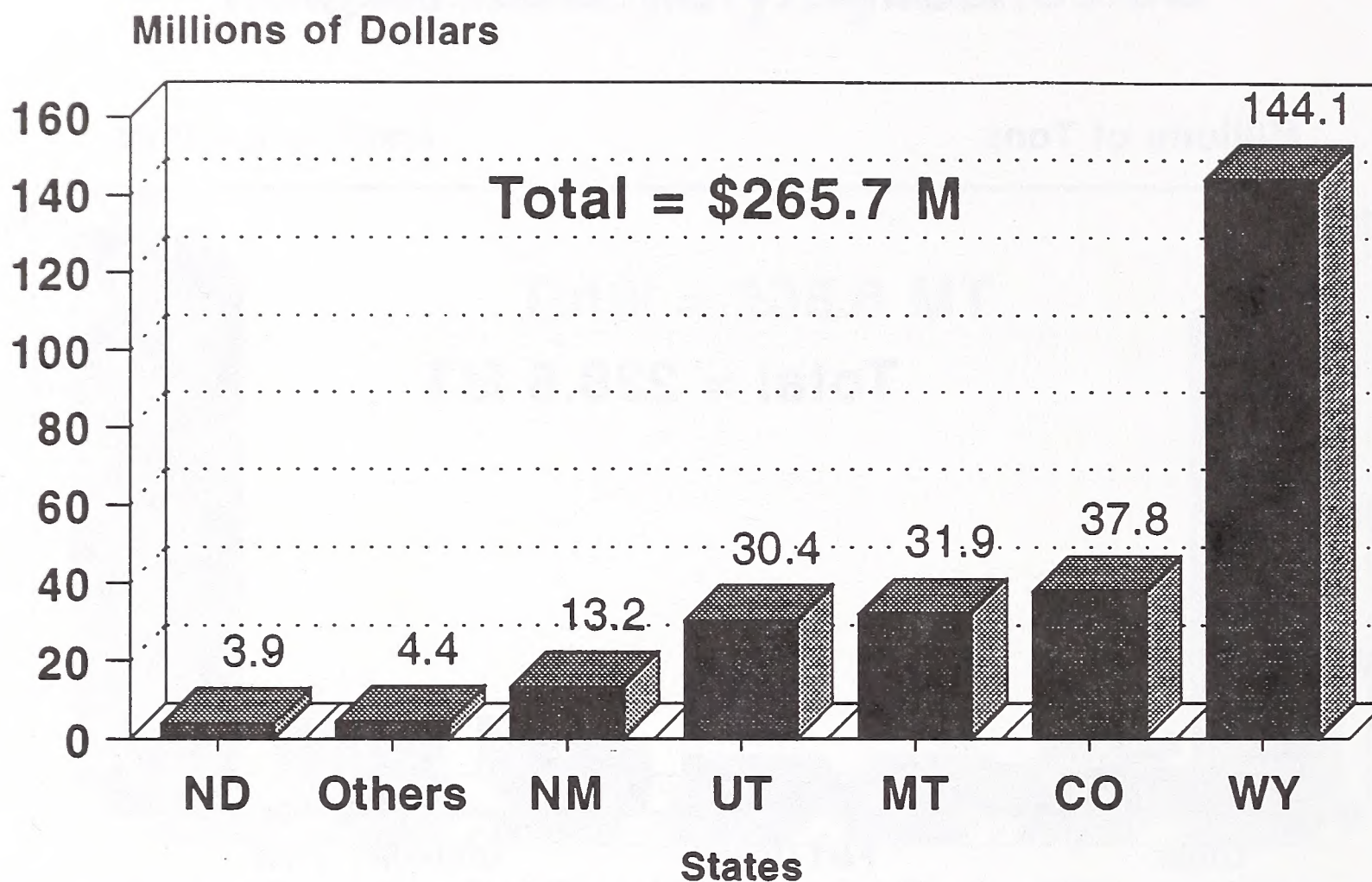
Note: Other includes AL, KY, OK, and WA

Source: Royalty Management Program, MMS

Note: The statistics included in this figure are from MMS and represent sales reported during FY 1992 and adjustments made during FY 1992 for prior periods. The FY 1992 royalty management statistics may not represent actual production achieved in FY 1992 or the royalty accrued on that production due to adjustments for previous years.

Federal Coal Royalties - FY 1992

Royalties By State



Note: Other includes AL, KY, OK, and WA

Source: Royalty Management Program, MMS

Figure #3 graphically depicts the royalties reported on a State-by-State basis for Federal coal leases in FY 1992.

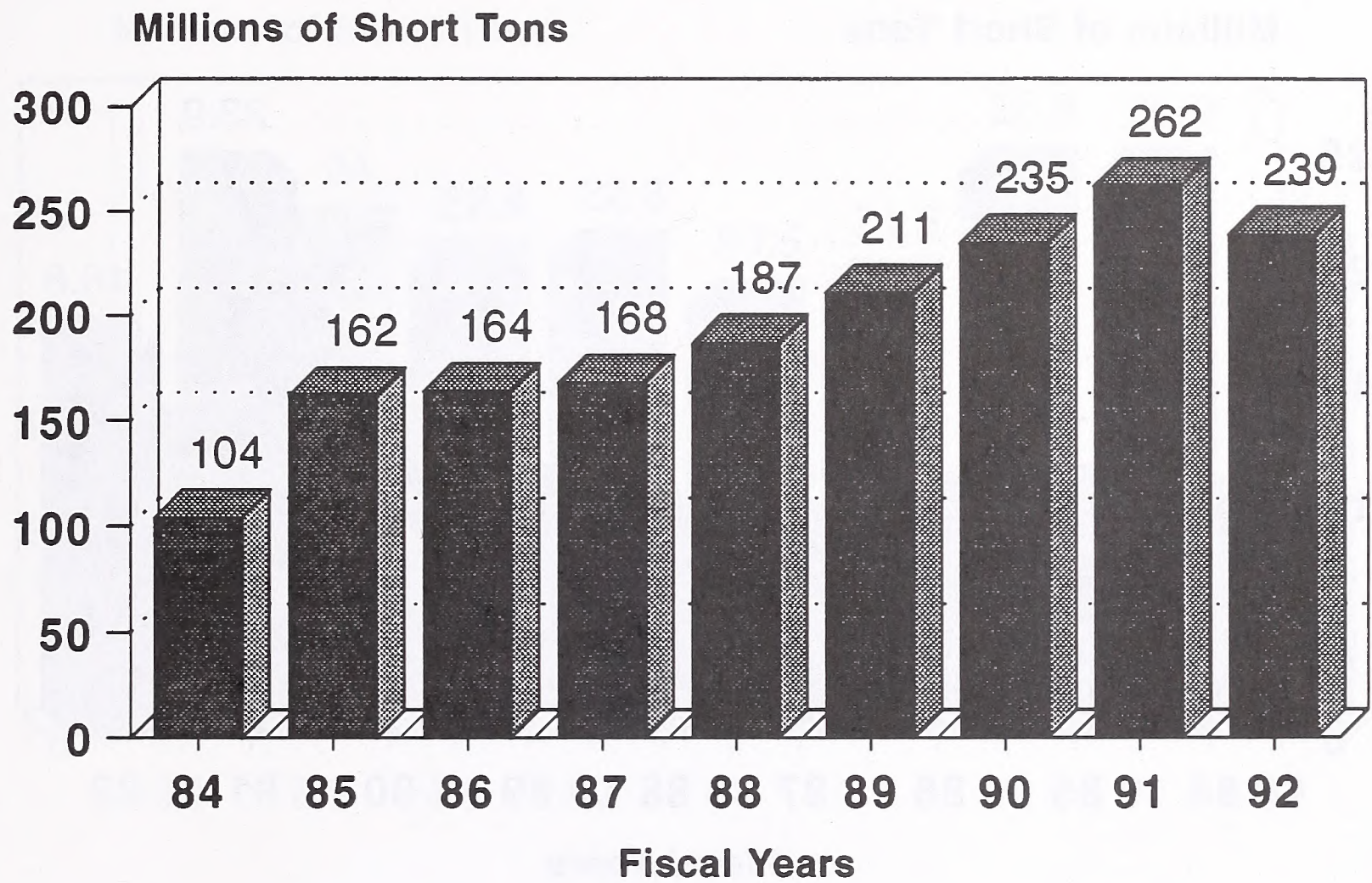
Note: The statistics included in this figure are from MMS and represent royalties reported during FY 1992 and adjustments made during FY 1992 for prior periods. The FY 1992 royalty management statistics may not represent actual production achieved in FY 1992 or the royalty accrued on that production due to adjustments for previous years.

Figure #4

Figure 4 shows a perspective of production from Federal coal leases from FY 1984 through FY 1992.

Federal Coal Production: FY 1984 to 1992

All Federal Leases



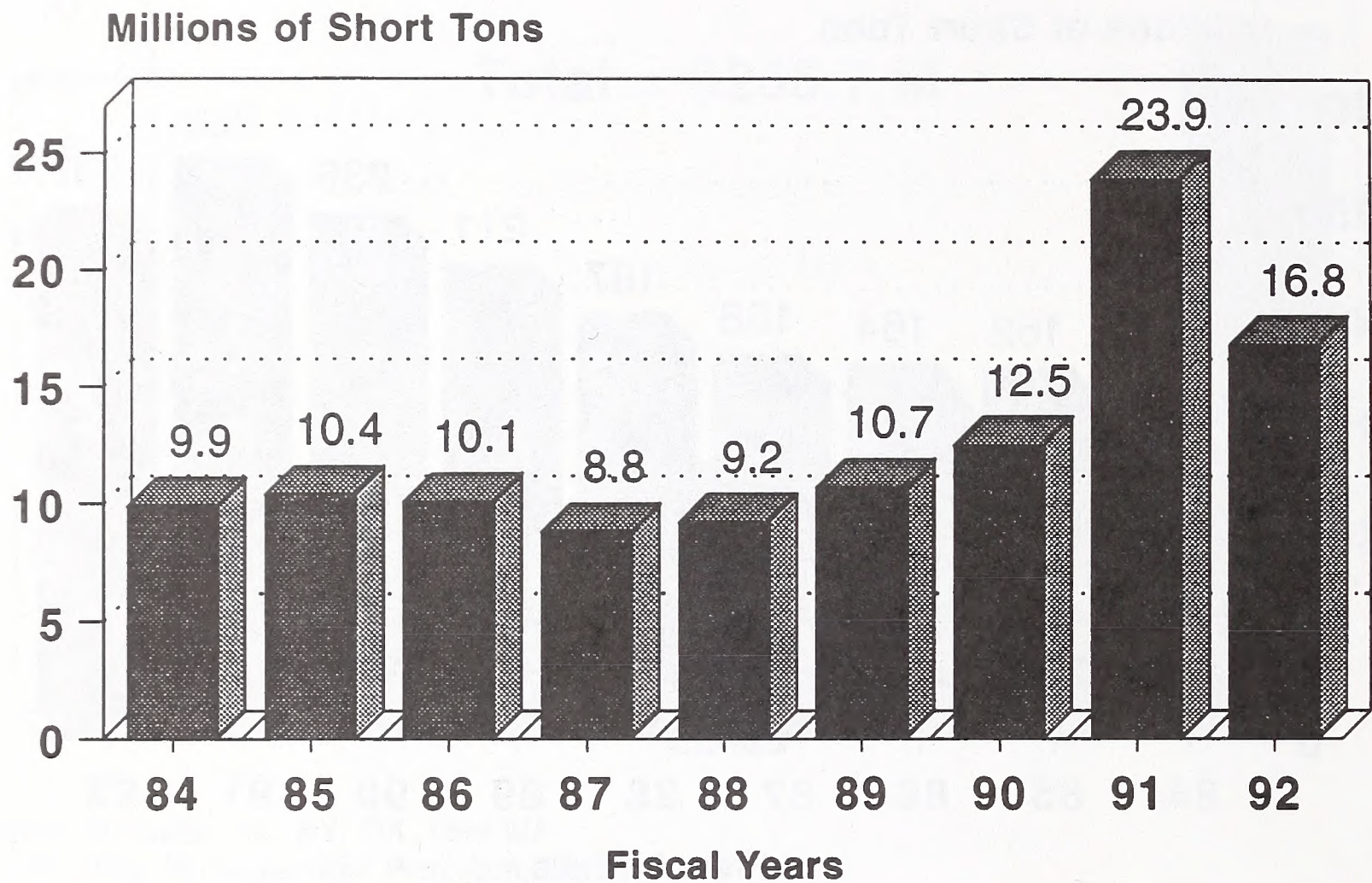
Source: Royalty Management Program, MMS

Note: The statistics included in this figure represent sales reported during FY 1984 through 1992 and adjustments made during those fiscal years for prior periods. These MMS -Royalty Management Program statistics may not represent actual production achieved in these fiscal years or the royalty accrued on that production due to adjustments for previous years.

Figure #5

Figure #5 shows a perspective of production from Federal coal leases located in Colorado from FY 1984 through FY 1992.

Federal Coal Production: FY 1984 to 1992 Colorado Federal Leases



Source: Royalty Management Program, MMS

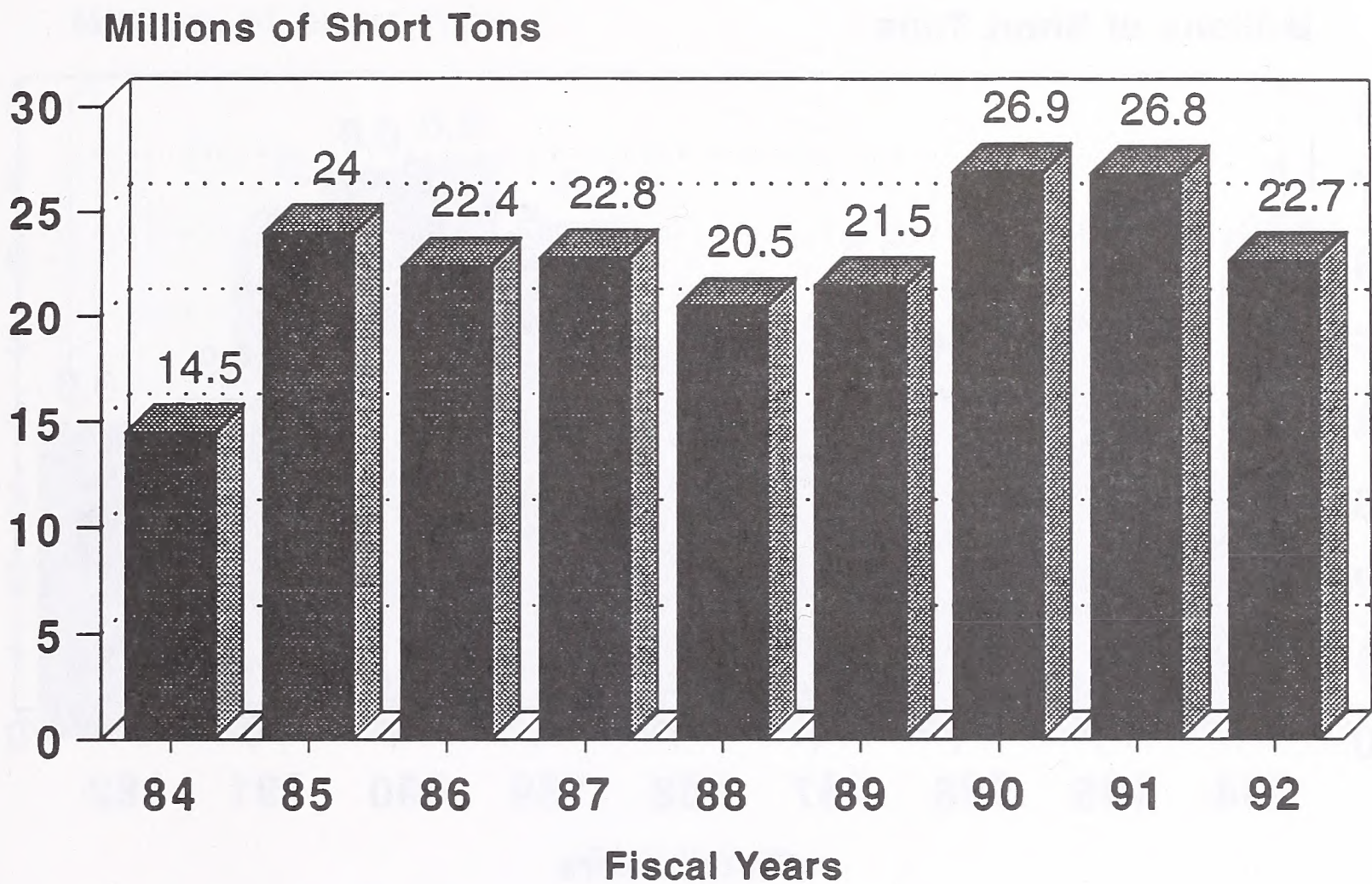
Note: The statistics included in this figure represent sales reported during FY 1984 through 1992 and adjustments made during those fiscal years for prior periods. These MMS -Royalty Management Program statistics may not represent actual production achieved in these fiscal years or the royalty accrued on that production due to adjustments for previous years.

Figure #6

Figure #6 shows a perspective of production from Federal coal leases located in Montana from FY 1984 through FY 1992.

Federal Coal Production: FY 1984 to 1992

Montana Federal Leases



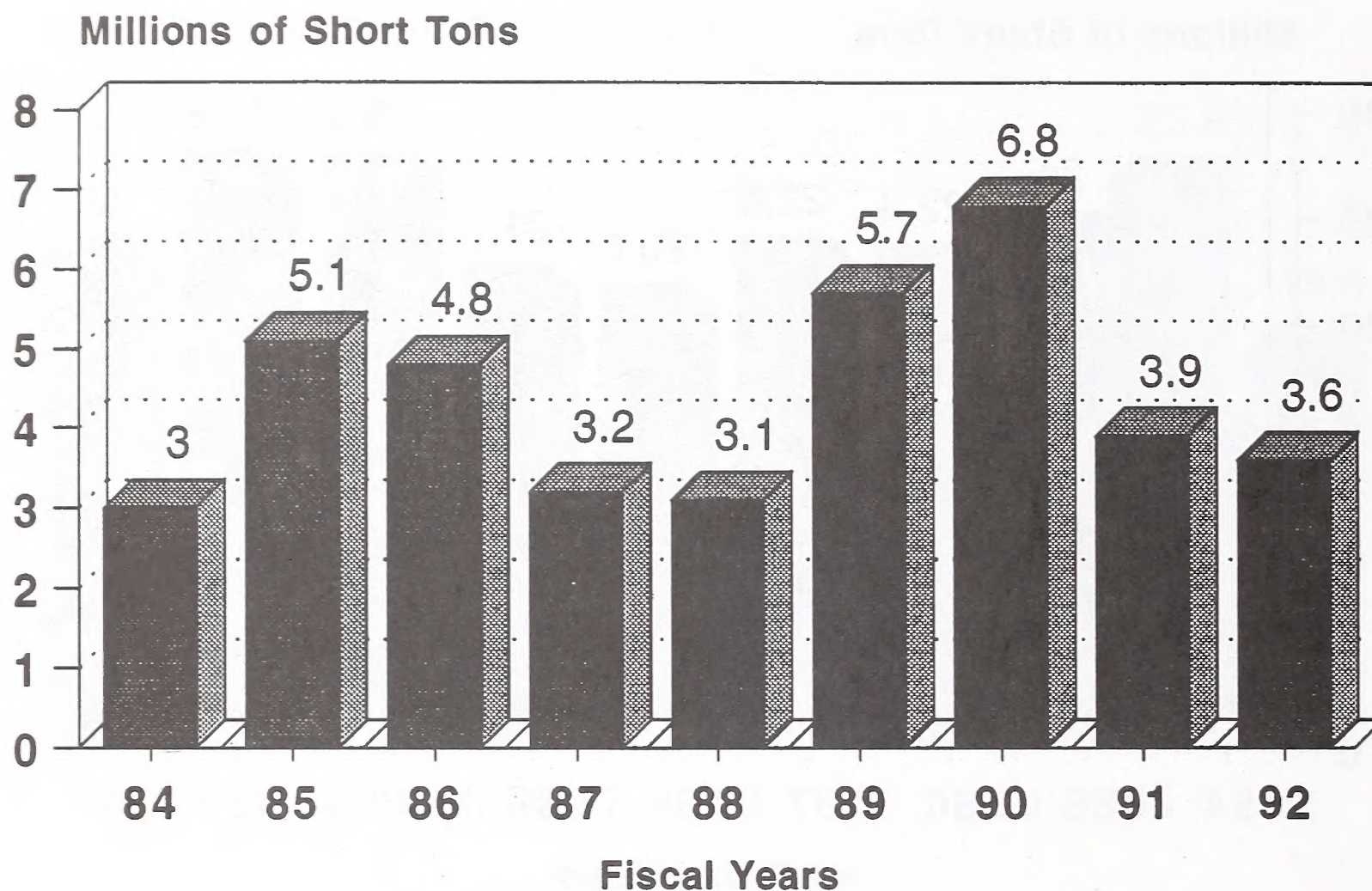
Source: Royalty Management Program, MMS

Note: The statistics included in this figure represent sales reported during FY 1984 through 1992 and adjustments made during those fiscal years for prior periods. These MMS -Royalty Management Program statistics may not represent actual production achieved in these fiscal years or the royalty accrued on that production due to adjustments for previous years.

Figure #7

Figure #7 shows a perspective of production from Federal coal leases located in New Mexico from FY 1984 through FY 1992.

Federal Coal Production: FY 1984 to 1992 New Mexico Federal Leases



Source: Royalty Management Program, MMS

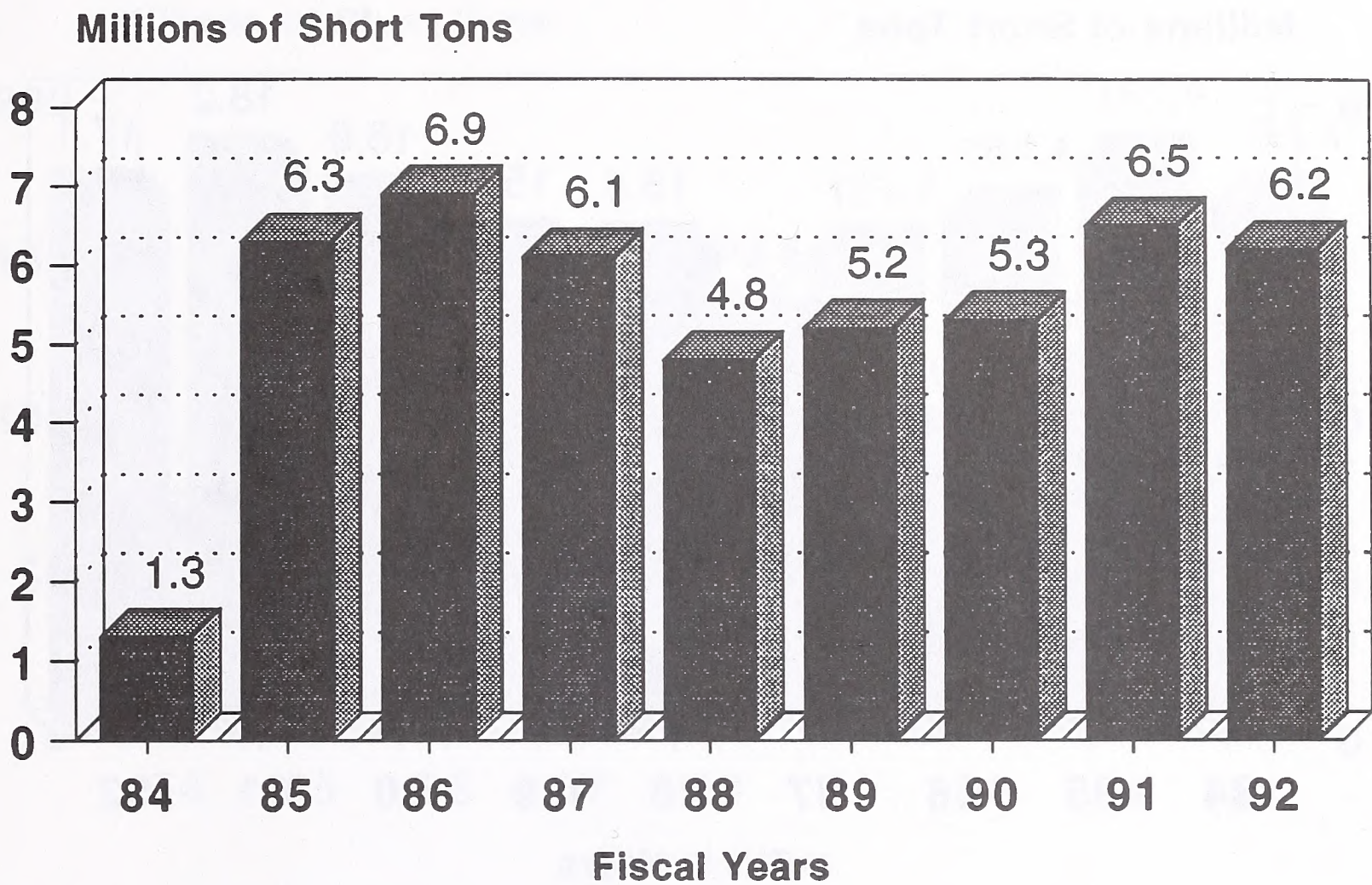
Note: The statistics included in this figure represent sales reported during FY 1984 through 1992 and adjustments made during those fiscal years for prior periods. These MMS -Royalty Management Program statistics may not represent actual production achieved in these fiscal years or the royalty accrued on that production due to adjustments for previous years.

Figure #8

Figure #8 shows a perspective of production from Federal coal leases located in North Dakota from FY 1984 through FY 1992.

Federal Coal Production: FY 1984 to 1992

North Dakota Federal Leases



Source: Royalty Management Program, MMS

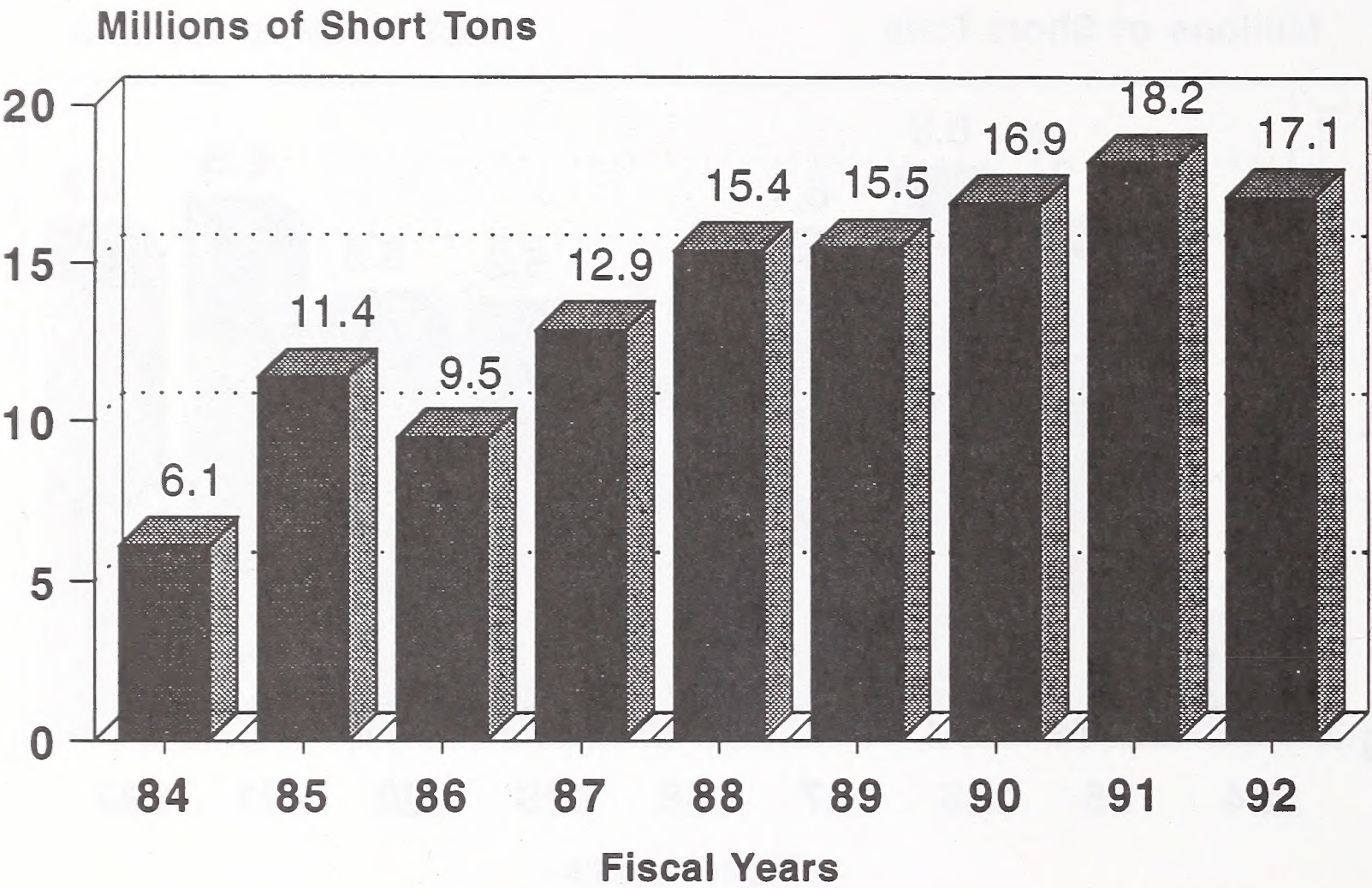
Note: The statistics included in this figure represent sales reported during FY 1984 through 1992 and adjustments made during those fiscal years for prior periods. These MMS -Royalty Management Program statistics may not represent actual production achieved in these fiscal years or the royalty accrued on that production due to adjustments for previous years.

Figure #9

Figure #9 shows a perspective of production from Federal coal leases located in Utah from FY 1984 through FY 1992.

Federal Coal Production: FY 1984 to 1992

Utah Federal Leases



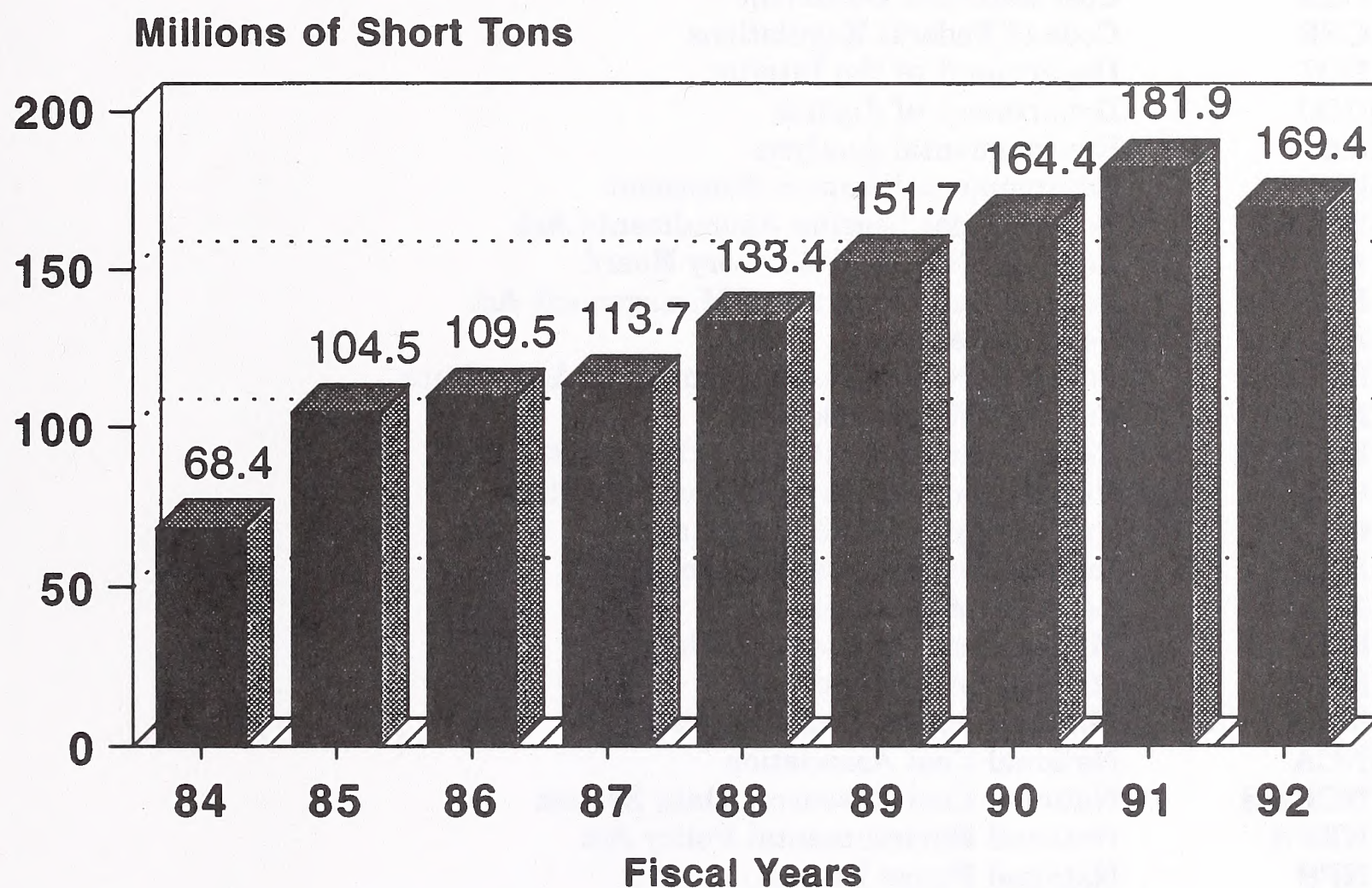
Source: Royalty Management Program, MMS

Note: The statistics included in this figure represent sales reported during FY 1984 through 1992 and adjustments made during those fiscal years for prior periods. These MMS -Royalty Management Program statistics may not represent actual production achieved in these fiscal years or the royalty accrued on that production due to adjustments for previous years.

Figure #10

Figure #10 shows a perspective of production from Federal coal leases located in Wyoming from FY 1984 through FY 1992.

Federal Coal Production: FY 1984 to 1992 Wyoming Federal Leases



Source: Royalty Management Program, MMS

Note: The statistics included in this figure represent sales reported during FY 1984 through 1992 and adjustments made during those fiscal years for prior periods. These MMS -Royalty Management Program statistics may not represent actual production achieved in these fiscal years or the royalty accrued on that production due to adjustments for previous years.

LIST OF ABBREVIATIONS

AMC	American Mining Congress
AMCR	Alternative Management Control Review
AVF	Alluvial Valley Floor
BLM	Bureau of Land Management
CER	Cost Estimate Document
CFR	Code of Federal Regulations
DOI	Department of the Interior
DOJ	Department of Justice
EA	Environmental Analysis
EIS	Environmental Impact Statement
FCLAA	Federal Coal Leasing Amendments Act
FSCAB	Federal-State Coal Advisory Board
FLPMA	Federal Land Policy and Management Act
FR	Federal Register
FS	Forest Service; U.S. Department of Agriculture
FWS	Fish and Wildlife Service
FY 1992	Fiscal Year 1992 (10/01/91 through 09/30/92)
GAO	United States General Accounting Office
GS	United States Geological Survey
IBLA	Interior Board of Land Appeals
LBA	Lease-By-Application
MFP	Management Framework Plan
MLA	Mineral Leasing Act
MMS	Minerals Management Service
NCA	National Coal Association
NCRDS	National Coal Resources Data System
NEPA	National Environmental Policy Act
NFS	National Forest System
OSM	Office of Surface Mining Reclamation and Enforcement
PRB	Powder River Basin
PRLA	Preference Right Lease Application
RCT	Regional Coal Team
RMP	Resource Management Plan
ROD	Record of Decision
TPR	Technical Procedures Review
SMCRA	Surface Mining Control and Reclamation Act

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